

Mrs Gandhi faces civil disobedience campaign

An underground resistance movement with widespread ramifications and a carefully prepared plan to destroy the "Gandhi dictatorship", as emerged in India. It has made its first organized call for resistance through a well-reduced journal being distributed secretly in Delhi and Bombay. Leaders of all political persuasions are called on to support civil disobedience.

Underground call for national struggle

A Special Correspondent
The kernel of an underground resistance movement formed in India this week is a secret cell of Mrs Gandhi's opponents issuing specific instructions for a civil disobedience campaign, the use of secret radio transmitters and national struggle against the Indian Fascist-Russian Axis. In what is believed to be the first organized call for resistance against authoritarian rule independent India, a well-reduced underground journal is circulating secretly in Delhi and Bombay. Leaders of all political persuasions are called on to support civil disobedience.

"Mahatma Gandhi's methods will guide us in our struggle. Mahatma Gandhi will be the unseen leader of our movement to liberate the country from fascist tyranny. It will amount to Mrs Nehru Gandhi versus Mahatma Gandhi." The underground cell, which was obviously prepared for the political upheaval, does not directly identify itself with a political group or any specific ideology. It claims: "That the daughter of Jawaharlal Nehru should present herself as a dictator need not cause any consternation or surprise. Many of us had seen this coming over the years, and only the politically naive would have failed to see the inexorable drift towards dictatorship during the past seven years since Mrs Gandhi set up her party of defectors, opportunists and sycophants. The few poor people who lingered on in her party and occasionally gave vent to their convictions, helped only to bring out in sharper focus the real character of Mrs Gandhi's party, which shamelessly usurped the name of the one great party of Indian freedom fighters. Condemning the blanket censorship of the press, the paper points out: "Even the British rulers did not impose such censorship when the country was fighting for its freedom. The British were colonialists, but they were not fascist dictators, and, therefore, the struggle against the British could be conducted in more civilised conditions. Indulgently too, the British generally had a conscience, something that Mrs Gandhi was not born with. The British rulers were at least answerable to their own people back home, but the new Indian despot is a law unto herself and has only trouble around her." In a bitter attack against Delhi's close relationship with Moscow, the journal points out: "The Russians, who were the first to welcome the fascist order in India, have also stakes in keeping India a desolate nation."

Accused MP appears at Bow Street court today

By Clive Borrell and Stewart Tandler

Mr John Stonehouse, the runaway Labour MP for Walsall North, and his former secretary, Mrs Sheila Buckley, are to appear at Bow Street magistrates' court this morning. Their delayed flight from Melbourne, which began on Thursday, and the long process of reading the charges, which went on yesterday evening, decided court officials that their first appearance in court in Britain should be postponed until today.

Sir Frank Milton, the Chief Metropolitan Magistrate, had agreed to await their arrival and keep number one court open later than normal, but by 5.30 p.m. the legal formalities were still unfinished and a court official announced that the magistrate had decided to go home.

As a result Mr Stonehouse and Mrs Buckley were kept overnight in cells at Bow Street police station, adjoining the court house.

A dozen pieces of luggage belonging to the couple were examined by detectives and each of the hundreds of items in them were listed meticulously on "prisoners' possessions" forms. These documents will be attached to the charge sheets when Mr Stonehouse and Mrs Buckley appear in court this morning.

After their drive in a convoy of police cars from Heathrow airport the couple were taken through a crowd of more than 200 who had gathered outside the police station.

Continued on page 2, col 1



Mr John Stonehouse, MP, and Mrs Sheila Buckley arriving at Heathrow airport yesterday.

Minister orders check on claim that girls under 16 were sterilized

From Our Correspondent

Dr Owen, Minister of State, Department of Health, last night ordered an investigation into allegations that three girls under 16 were sterilized in Sheffield.

A High Court action to prevent a similar operation on a Sheffield girl aged 11, is still being heard. It will be resumed on July 29 in London. Mrs Justice Heilbrunn has reserved judgment on an application to have the girl made a ward of court.

The allegations—that three other girls, one of them a non-white girl, had been sterilized before the case of the girl of 11 came to light—were made by Mr Tony Wilkinson, a reporter with BBC Radio Sheffield, first in the Sheffield programme and later on *The World at One*. He said his information came from confidential sources which were concerned that the public had not been informed. He was told that all three girls had abnormalities.

In the case of the girl of 11, Dr Ronald Gordon, the consultant paediatrician who recommended the operation with her mother's approval, has said the girl could give birth to abnormal children. But in the case of the other three girls, the sources

said they were not sure whether the girls would have had abnormal children.

Mr John Mann, Sheffield's deputy director of education, said yesterday he had heard of the other sterilizations. He added: "I have been told this in private conversation, but we are not aware of this in the official sense."

Dr Gordon, who has been treating the girl, aged 11, who suffers from a rare condition known as Sotos syndrome, which, he says, means she could not give birth to abnormal children, declined to comment. "I have been told this in private conversation, but we are not aware of this in the official sense."

Mr Ronald Harper, chief executive officer of the area Health Authority, said: "This is the first I have heard of other operations. There is no method by which we can get this kind of information. We have no access to patients' records." "We have been told by the Department of Health that such operations are not unknown, but are very rare."

Lack of milk halts production of butter

By Our Agricultural Correspondent

At creameries in England and Wales have been ordered to stop producing butter, the Milk Marketing Board said yesterday. There is no likelihood of resumption in the "foreseeable future".

The order has been issued by the Milk Marketing Board, which said that the shortage of milk was so severe that it was not possible to produce butter. The order has been issued by the Milk Marketing Board, which said that the shortage of milk was so severe that it was not possible to produce butter.

The statement recalled the minister's reply to a question during a Commons debate last month on the Sheffield sterilization case. He said then that it would be difficult to lay down general rules on whether sterilization of young children should be allowed, each case would be different and involve different medical considerations. He promised an inquiry.

Slowdown in inflation rate confirmed by retail price index

By Melvyn Westlake

The rate of inflation in Britain now appears to have passed its peak. Latest Government figures, published yesterday, show that the underlying increase in retail prices during June was lower than for any month since the early autumn. This, taken together with other evidence earlier this week of a clear downturn in the wholesale prices of many manufactured goods, suggests that inflation is on the downward path forecast by Mr Denis Healey, the Chancellor, in the last Budget.

Coming only a week after the Government's unveiling of its wage restraint strategy, the apparent weakening of the inflation rate could prove to be of considerable psychological importance in creating the climate for the widespread acceptance of a flat-rate maximum increase of 5.6 a week.

The retail price index, excluding seasonal food, rose 1.7 per cent in June, following the record 4.2 per cent in May. This takes the figure to 137.1 (January 15, 1974=100). As in May, the movement in the index last month was influenced by the April Budget measures, although to a much lesser extent.

According to Department of Employment calculations the Budget increases in indirect taxation accounted for 1 per cent in the June rise in the index, and for about 2.1 per cent in the May rise. When these effects are excluded, the annual rate of increase over the three months April-June is shown to be 31.5 per cent. This compares (on the same basis—excluding the Budget effects) with 33.7 per cent in the three months March-May and 32.9 per cent in February-April.

The modesty of the descent indicated by this rolling three-month annual rate reflects the fact that June is the first month to exert a significant downward pull. Nor since September last year has there been a monthly increase as low as the figure for last month which emerges at 1.45 per cent after allowance for the Budget influences and seasonal food.

Inflation was generally expected to reach a peak in the first half of this year and decline in the second half. The Chancellor predicted in April that prices would be rising "on average by not much more than 1 per cent a month between April and December" implying an annual rate of the order of 12 to 15 per cent.

However, officials in Whitehall are not expecting any sudden sharp improvement in the immediate future as there are still many price increases in the pipeline. Among the main increases in June were potatoes, electricity, cigarettes, alcoholic drink and second-hand cars, and higher rates and water charges in Scotland.

The latest increase in the retail price index means that holders of the Index-linked Retirement Issue of National Savings Certificates who bought their certificates in June will find each £100 of certificates now worth £106.19. The increased value, however, only becomes payable after the certificates have been held for 12 months.

Retail prices table, page 15

Oporto tense as Socialists gather for rally

From Jose Shercliffe

Oporto, July 18
Oporto who reported to be tense tonight as the hour approached for the mass Socialist rally which is opposed by various ultra-left wing organizations as "reactionary" and "counter-revolutionary".

A rally called in the city by workers' organizations and trade unions mustered some 10,000 people who left their work early in order to attend. They had been called to show support for the Armed Forces Movement (Forças Armadas Revolucionárias) and to prevent "reactionary elements" entering the city.

So far their success has not been great. Witnesses say the few barricades put up were soon broken down by incoming busloads of socialists, mostly from the north coming to attend the rally.

This morning a loudspeaker van of the Interindustrial trade union organization attempted to tour the fishermen's region of Matosinhos outside the city, and rally the fishermen to the barricades. The fishermen overpowered the car, and chased the propagandists off. Later a large sign appeared on the Matosinhos-Oporto road "to the gentlemen of the barricades, the fishermen of Matosinhos will be passing through at 8 pm".

It is understood that Mr Soares, secretary-general of the Socialist Party, has sent a telegram to both President Costa Gomes and General Otelo Carvalho, head of Copcon, pointing out the seriousness of the situation.

A meeting was reported to be in progress in the Belem Palace presided over by General Costa Gomes. Among those present are Senhor Vasco Gonçalves, the Prime Minister, General Otelo Carvalho and General Carlos Botelho. They had a trip to London this weekend in order to be on the spot at this critical time.

The presence at the palace of members of various political parties, including Senhor Cunha, Communist Party Secretary General, members of the Socialist Party and the Inter-industrial Union, has been on an official summons.

Communist Party leaders in Ribatejo province, have also given warnings that another "demonstration-rally" has been called by the secretariat of the Socialist party on Saturday to which they want to give the character of a march on Lisbon. The Socialist Party has denied planning such a march. Photograph, page 3

MPs force Crossman debate on the Government

Hugh Noyes

Parliamentary Correspondent

Members of Parliament forced a Government yesterday to debate on at least one of the issues surrounding publication of the Crossman series. Mr Silkin, Attorney General, seeking an injunction to stop publication of the diaries either in book form or as extracts in the *Sunday Times*. The hearing in the High Court will be next Tuesday. Since Mr Silkin started his

action in the courts attempts to raise the matter in the Commons have been ruled out of order. But yesterday the Attorney General petitioned the House through Mr Archer, the Solicitor General, asking its permission to refer to Hansard reports of Commons debates during the injunction proceedings and for Hansard officials to attend the court to prove the documents.

Under a resolution passed in 1918 officers of the Commons are not allowed to attend court to produce documents without the leave of the House.

Sensing that Mr Archer's

request might be an opportunity to debate the publication of the diaries, MPs on both sides of the House objected that they had been given no notice of the motion.

Mr Dennis Skinner, Labour MP for Bolton, suggested that the move was an attempt "to wheedle the motion through without anyone taking notice". It was an affront for the Solicitor General to read out his "gobbledygook" without explaining it.

From the Conservative benches, Mr Nicholas Ridley, MP for Cirencester and Tewkesbury, who had made

several attempts to raise the matter in the House, said that a gag on publication of the diaries was regrettable. He felt the House would not wish to grant the request without discussing whether the injunction should be sought at all.

Mr Peyton, from the Conservative front bench, accepted that Mr Archer was not trying to wheedle the measure through the House, but he said that in such a sensitive matter, touching on issues of Cabinet responsibility, the Government would have been wise to have given warning of its intention.

Mr Archer apologized for the lack of notice but said he was not trying to slip something through; it was not a government motion.

At his suggestion the matter was then adjourned for debate later. The Hansard reports mentioned in the petition, which would be used to show the reasons for the 30-year rule, date back to 1806 and include speeches by Charles James Fox, Gladstone, Baldwin, Lord Attlee, and the present Prime Minister.

Parliamentary report, page 18

Merchant bank's loss of nearly £61m

Property market difficulties have caused Ullmann, the City bank formerly headed by Mr Edward du Cann, to make £64m provision against bad debts. The move turns an operating profit of £4.8m to a loss of £60.9m after tax for the year to the end of March. The loss is greater than even the worst City expectations.

Page 15

Airport plot foiled

Two plots by Arab terrorists were reported yesterday to have been foiled by Israeli security forces. One was a bomb attack on Ben Gurion airport and the other an attempt to capture hostages in Galilee asansom for imprisoned terrorists.

Page 4

VAT defeat stands

Although the Government is smarting over its defeat on Thursday in the Commons on an Opposition amendment reducing the level of value-added tax on television sets, it was felt at Westminster yesterday that it would have to accept the defeat. The defeat cannot be reversed in the Lords, because peers do not interfere in money Bills.

Sales effect, page 15

Extremists claim to hold soldier

An extremist republican group claimed in Dublin to have arrested a British soldier named Reginald Cox Smythe, NO 2387240, of "The Highland Light Infantry." The Ministry of Defence said that it knew of no such soldier and the regiment no longer exists. Other Irish news.

Page 2

Milk powder glut

The European Community in an attempt to avoid another embarrassing surplus of dairy products, has plans to encourage member states to drink more milk. EEC stocks of skimmed milk powder now amount to some 750,000 tons.

Page 3

Rape case rebuke

A conviction for rape was quashed and a prison sentence set aside by the Court of Appeal because Judge Christmas Humphreys erred in his summing-up to the Central Criminal Court jury. Lord Justice Ormrod said that Judge Humphreys had "misapprehended" a vital incident and virtually destroyed the defence case.

Page 3

'Spending cuts soon'

"Savage cuts" in health, education and other local authority services will be revealed after the Trades Union Congress in September, Mr Mikardo, Labour MP for Tower Hamlets, Bethnal Green and Bow, said yesterday.

Festival opposed: The Home Secretary is to hold talks about the site of a proposed pop festival near Swindon after local objections.

Paratroop reunion: Tatton Park, Cheshire, where 60,000 wartime airborne soldiers trained, invites the public today to a "parachuting spectacular".

Brussels: Mr Wilson and Mr Callaghan found the new mood of pragmatism at this week's European summit to their liking.

Rival Basques: Spanish authorities appear to play on ideological differences among political prisoners.

OAU conference: General Amin calls for the liberation of southern Africa by force of arms if necessary.

Coffee: Commodity prices in London shot to record highs on confirmation of widespread frost damage in Brazil.

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Rock markets: Equities given a late boost by retail price figures. The FT index closed 2.1 up to 235.9. Gilt-edged markets had a quieter day.
Personal investment and finance: Pensions: Eric Brunet discusses the implications of the new pay policy; Taxation: Vera Di Palma with a reminder about keeping records for capital transfer tax

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HOME NEWS

Substantial cuts for education services to be decided on at department meeting this month

From Tim Devlin
Education Correspondent
Cardiff

Leaders of local education authorities are to meet Mr Mulley, Secretary of State for Education and Science, and officials of his department this month to work out a basis for substantial cuts in the education service. They must inevitably take place in 1976-77.

The authorities will also discuss whether serving teachers will have to be dismissed. Fears about that were raised this week by some authorities at the annual conference of the Council of Local Education Authorities in Cardiff. When he heard them, Sir William Pile, Permanent Secretary at the department, said a meeting had to take place as soon as possible.

Mr John Everett, chief education officer for Wiltshire, the authority that had mainly voiced the fears, told me yesterday that the county would not have to dismiss teachers next year. A meeting of the county's policy committee on Thursday had decided to cut spending on education by a further £500,000 a year. He said that although that was a serious cut it would not lead to teachers' dismissal.

But both he and Mr John

Adlam, chief education officer for Hampshire, confirmed that dismissing teachers would be inevitable after 1977. Mr Mulley caused some confusion by his statement to the conference that by allowing for a 2 per cent increase in spending on education within the rate support grant the Government was also allowing for a 2 per cent growth rate in the education service during 1976-77.

Mr A. C. Hetherington, secretary of the Association of County Councils, told the conference that he hoped the department would agree that on average authorities had committed themselves to an on-going momentum of the service which would involve spending an extra 4 per cent in real terms next year.

Referring to the 2 per cent guideline, he said: "This will mean that overall there will be a significant reduction in standards of staffing and provision for education, which is extremely worrying. We want to know what the Government will do to look at their savings and we need to have some guidance on priorities in the light of national policies."

Independence warning: Polytechnics were warned at the conference yesterday by Sir

Toby Weaver, a former deputy secretary at the Department of Education and Science, to drop their pretensions to becoming self-governing institutions.

Sir Toby was instrumental in the expansion of polytechnics. His warning comes at a time when the most powerful of the country's 30 polytechnics have been advocating independence. The issue of independence from local authority control is at the centre of the controversy surrounding the Polytechnic of North London, where Mr Terence Miller, the Director, is resisting attempts by governors and others representing the Inner London Education Authority to shackle his powers.

Sir Toby said that for the polytechnics to see their future as self-governing corporations after the pattern of universities was to contemplate a miracle. Much of their vitality and significance derived from their local connections, which no amount of central administrative skill could replace if they were nationally controlled.

He also criticized local authorities which were tempted to get rid of polytechnics because they could not keep them under close control and wanted to ease the burden of them on the rates.

Hint that pay powers Bill may be published

By Penny Symon
Political Staff

Conservative MPs were heartened yesterday by what they regarded as a strong hint of government reconsideration of its decision not to publish the draft Bill containing reserve powers to support its counter-inflation strategy.

The Commons is due to debate the White Paper, *The Attack on Inflation*, on Monday and Tuesday. Mr Short, Leader of the House, indicated during his business statement on Thursday that the draft Bill would not be published before the debate.

Mr Wilson is expected to reply to the request that the draft Bill be published.

The matter was raised in the Commons again yesterday by Mr Peyton, shadow Leader of the House. He said that the Commons would be at a disadvantage if it did not have available for the debate those parts of the Government's armoury still secret.

Mr Short was not able to be in the House to reply, but Mr Mellish, the Government Chief Whip, said: "I have no doubt that by Monday morning many of these points will be cleared up."

His reply caused speculation that Mr Wilson's reply to Mrs Thatcher would reveal something of the Bill.

Mrs Williams, Secretary of State for Prices and Consumer Protection, will wind up for the Government on Monday and Mrs Thatcher and Mrs Oppenheim, shadow spokesmen on Consumer Affairs, will speak for the Opposition.

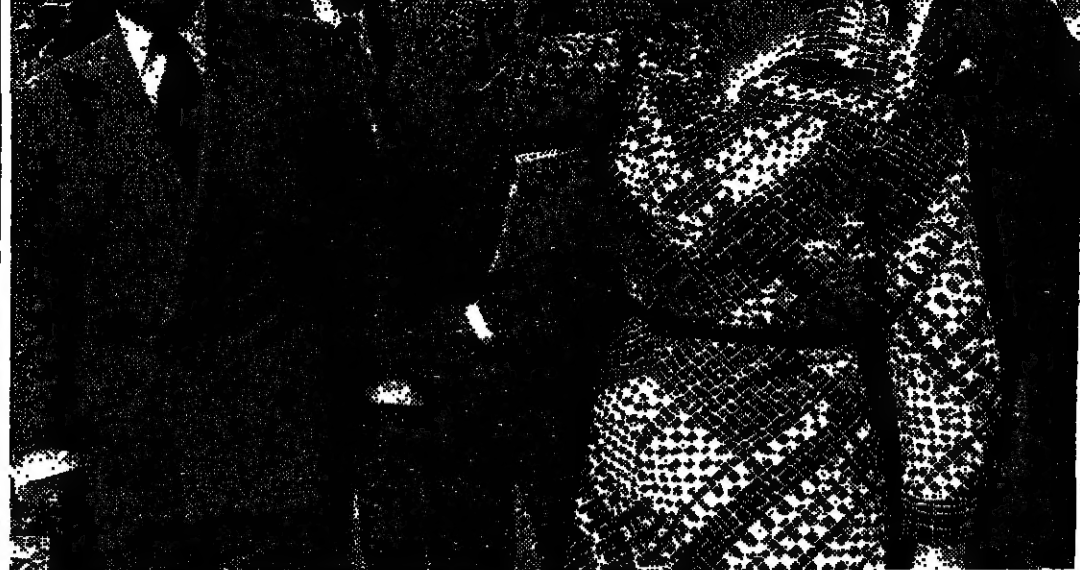
On Tuesday Mr Foot, Secretary of State for Employment, and Mr Wilson will speak with Sir Geoffrey Howe, the shadow Chancellor, and Mr Prior, shadow spokesman on employment, for the Opposition.

The Liberal Party has tabled a reasoned amendment to the Government's motion on the White Paper, spelling out the party's reservations, but making clear that its members will vote with the Government.

After saying how the Liberals would vote, Mr John Pardo, the party's spokesman on economic affairs, attacked the decision of the Conservative Party to abstain. At such a time of national crisis, he said, the worst sort of party political hacks would put their party advantage before the national interest.

Mr Pardo said that Labour backbenchers' criticism of the Government's recommendation that their pay should be raised only 5.5 per cent, was taking form. He said that if Conservatives to see if common tactics can be arrived at before Tuesday's Commons debate.

The debate promises to be acrimonious, with angry backbenchers tabling an amendment to the Government's motion.



Mrs Thatcher with Mr Amery, Conservative MP for Brighton, Pavilion (left) and Mr Bowden, Conservative MP for Brighton, Kemptown (right) walking to the beach for a boat trip with local fishermen during a visit to Brighton and Hove yesterday.

IRA truce holds despite ambush

From Christopher Walker
Belfast, July 18

Informal contacts between senior civil servants and members of the Provisional Sinn Féin, the Government is confident that the IRA ceasefire will continue in its present shaky form despite the border ambush which killed four soldiers on Thursday.

Although no further statement is expected from Mr Rees, Secretary of State for Northern Ireland, until next week, it is understood that he will persevere with his policy of releasing republican detainees and working to a timetable of abolishing detention without trial by the end of the year. One result of the ambush will be a slowing of the rate at which men are set free from the Maze Prison at Long Kesh.

With the full support of the Prime Minister and the Cabinet Mr Rees intends to face the

wrath of "loyalist" politicians in Ulster and at Westminster who are demanding that talks with the Provisionals should cease and that a new offensive be launched against them by the Army. There is no question of the Government's policy being suddenly changed as the result of a single incident, one official said.

The Army chief most openly opposed to Mr Rees's policy on detention is the GOC, Lieutenant-General Sir Frank King, who will be handing over his command within the next fortnight to Lieutenant-General Sir David House. In Ulster military circles it is felt that Sir David, previously Director of Infantry at the Ministry of Defence, is likely to be more sympathetic to the Government's long-term aim of doing away with detention.

During the weekend members of the Provisional IRA's seven-

man ruling army council are expected to meet to discuss their attitude towards the truce. In a front page article last week, *An Phoblacht*, the leading voice of the Provisional republican movement, claimed that there would be no sudden, surprise ending of the ceasefire. It said: "The truce will not be ended without a statement from the leadership of the republican movement, giving full, clear and advanced warning."

The key lies in the private talks which take place regularly between the Government and Sinn Féin. The longer the truce survives major breaches like the Forkhill ambush, the greater the belief among Ulster politicians that some indirect commitment to withdrawal has been given.

As a result of the ambush, the authorities believe that there is a real threat that militant loyalist paramilitary groups might further exacerbate the situation by taking revenge against the Roman Catholic population.

There is also a strong mood of resentment and frustration among many ordinary soldiers. Obviously, that is highest in South Armagh among members of the Green Howards, the regiment involved in the attack. But in Belfast there is also tension between republicans and two Scottish regiments, the Scots Guards and the Black Watch. At the top level, the Army is aware that if it leads to any major incident, it could easily be used as an excuse by the Provisionals.

It was confirmed by Army experts that Thursday's explosion was detonated by a terrorist or terrorists who used 500 yards of wire to set it off.

Frigate crew ashore

Officers and ratings from the Royal Navy frigate *London*, docked at the Aldwych Theatre, did not leave the ship until after a sabbath increase in its stay in London. The ship's company, which includes a number of young women, is expected to leave the ship docked at Portsmouth on Thursday. The weapon was found on board.

Accused MP in police convoy from airport

Continued from page 1

The first car containing Mr Stonehouse, Mr James Crane, deputy assistant commissioner in charge of the fraud squad, and Det Chief Supt Kenneth Etheridge, his deputy. Mrs Buckley, accompanied by two women detectives, followed in the next car. The third vehicle contained their luggage and other officers.

Few of the crowd, including many press reporters and photographers, were able to glimpse their arrival as the convoy swept into the enclosed yard at the rear of the police station. Mr James Patterson, the MP's Melbourne solicitor, and Mr George Hampel, his Australian barrister, who qualified at the Middle Temple to represent him only on Thursday night, were shown to a private office 70 minutes after the car was taken into custody. Both lawyers held a conference with senior police officers at Bow Street until late in the evening after the charges had been read over.

Mr Stonehouse faces 21 charges alleging forgery, conspiracy and fraud involving £172,000. Mrs Buckley faces six charges involving theft and conspiracy amounting to £42,000.

Mrs Stonehouse and their elder daughter, Jane, were allowed to see the MP last night. Mrs Buckley's parents were also taken in to see their daughter.

While awaiting Mr Stonehouse's arrival, Mr Patterson said: "I cannot see any reason why Mr Stonehouse should not get bail. After all, he was given bail in Australia and was kept in custody during the last 15 days only because the law would not allow otherwise."

Mr Stonehouse and Mrs Buckley arrived back in Britain just before 3 pm, when a British Airways jumbo jet, flight number BA 979, landed gently nearly five and a half hours behind schedule.

The couple and their police escort of six waited until the aircraft was cleared of its other 310 passengers in an arrangement devised by New Scotland Yard to get the two off the aircraft and into London swiftly.

Customs and immigration officers went on board to clear landing formalities. Then at 3.20 Mr Stonehouse, with two police officers, came down a gangway and climbed into a waiting police car. He looked grim and ignored the circle of waiting photographers.

A minute later Mrs Buckley followed him and got into a second car. With a third car as escort the convoy sped away from Heathrow.

The aircraft had unloaded at pier 14, which is out of sight of public areas of the airport. The couple were accompanied on the flight not only by the policemen led by Chief Supt Etheridge but also a corps of journalists.

Passengers on board said Mr Stonehouse would not speak to the policemen throughout the flight although Mrs Buckley chatted to the woman police constable with her. At one stage Mr Stonehouse is reported to have refused to "break bread with Scotland Yard."

He finally had a meal, taken some distance from the detectives. He was allowed to sit next to Mrs Buckley at one stage and the two of them went to the back of the plane to watch a Walt Disney film called *The Island at the Top of the World*.

Mr Stonehouse was restricted in movement. Passengers said he wandered round the aircraft followed by a policeman, giving some press interviews and refusing others.

He told one reporter that he planned going to the House of Commons next week. He also said: "I do not only hope to get bail, I expect to get bail. If I do not it will be the most astonishing thing that has ever happened."

Mrs Buckley was upset at one stage when Australian reporters showed her reports of private letters she had written to Mr Stonehouse.

Mr Mikardo doubts Government's faith

By Our Political Staff

Reservations about the Government's anti-inflation policy came yesterday from Mr Ian Mikardo, Labour MP for Tower Hamlets, Bethnal Green and Bow.

Speaking in Streatham, he said that the Government was saying to the labour movement: "Give us our statutory wage controls, and let us get away with the transparent pretence that they are not statutory, and next year, when they start to work, we'll do all the other things we promised in the election manifesto."

"It is not altogether surprising that some people are sceptical about the value of that postdated cheque," he said. "The sceptics so far do not look too good. The commitment to full employment has already gone by the board, price control is marginal and ineffective, and the Industry Bill has been emasculated to please the CBI."

The plans for those cuts had been made, he said, but were being kept secret until after the

Trades Union Congress in September.

Mr David Howell, an Opposition spokesman on economic affairs, speaking in his constituency, Guildford, last night, said that those who are sceptical about the true meaning of the White Paper would have to live for a few weeks with reproofs and high-minded editorials.

"But tomorrow too, is important," he said. "And it is our job and our duty to lift our eyes from today's plaudits to tomorrow's dangers."

Evidence grew daily that the Government was not serious about public spending and the White Paper's paragraphs on future intentions for controlling public spending were vague and hesitant.

Reshuffle demanded: Mr Robert McCrindle, Conservative MP for Brentwood and Ongar, called last night for an autumn reshuffle of the Shadow Cabinet ruthlessly to bring forward the Government's proposals.

Without naming anyone, he said that to consolidate her leadership Mrs Thatcher should also "flush out the continuing remnants" in the party who resented her leadership and end the "damaging rifts" on economic policy in the Shadow Cabinet.

Over half Labour MPs back Mr Prentice

By Our Political Staff

More than half of the Parliamentary Labour Party, including 12 Cabinet ministers and 35 other ministers, have indicated their support for Mr Prentice, Minister for Overseas Development, in his struggle against the left wing in his constituency of Newham, North-east.

The letter of support says that a decision to request him to stand down at the next election would have far-reaching and damaging consequences for the party. It has been signed by 180 MPs, including more than half of Mr Wilson's entire administration.

Mr Wilson was not invited to sign nor was Mr Mulley, Secretary of State for Education and Science, who is chairman of the party. Lord Elwyn Jones, the Lord Chancellor, and

Lord Shepherd, Lord Privy Seal and Leader of the Lords, were also not asked to sign.

Mr Foot, Mr Benn, Mrs Castle, Mr Shore, Mr John Silkin, Mr Ross, and Mr Hesley, were invited to sign but they have not yet indicated they would do so. Mr Hesley is expected to give his views in a speech this weekend.

At least two of the others who have not signed are known to have some sympathy for Mr Prentice, but they are not prepared to sign for a variety of reasons.

The signatures follow the Prime Minister's decision that ministers should sign the petition if they felt so inclined. Many of the signatories feel that Mr Prentice's situation is not an isolated one, and that there are plans by the left to unsettle right-

wing MPs in several constituencies.

The crucial vote on Mr Prentice's future is expected on Wednesday night. Although his supporters are gratified that there has been a show of feeling for his cause, there is grave concern that he may lose the vote and will be forced to make a personal statement at the party conference.

Mr Kelly to sue: Solicitors acting for Mr Tony Kelly, aged 38, the Newham Labour Party official involved in the campaign to oust Mr Prentice, said last night that he had instructed them to issue a writ against Associated Newspapers, which had appeared in the *Daily Mail* and *Evening News* this week (the *Press Association* reports).

The writ will be served on Monday.

NUJ president resigns to take new post

By Our Labour Editor

Mr Kenneth Ashton, president of the National Union of Journalists, has resigned to take up the full-time post of northern organizer for the union.

Mr Ronald Haller, the union's assistant general secretary, last night denied that there had been a dispute over Mr Ashton's appointment, which comes only four months after his election to the presidency.

Mr Noel Howell, formerly an industrial reporter with Westminster Press Provincial Newspapers, the *Financial Times* and the *London Broadcasting Company*, has been appointed a national organizer for the union.

Mr Jenkins to discuss site of pop festival

By a Staff Reporter

Mr Jenkins, the Home Secretary, will meet police and local authorities next Thursday to discuss the proposed site for a pop music festival at the village of Watchfield, near Swindon. The meeting is the result of protests by Mr Airey Neave, Conservative MP for Abingdon, who saw Mr Jenkins yesterday to complain about the lack of consultation with elected representatives of the area. After the meeting, Mr Neave said:

"It is extraordinary that a government department should spend 12 months searching for a site. It is not its job anyway. The festival is in August and most of the local

people have only just heard about it."

The site at Watchfield, a former wartime airfield, is controlled by the Department of the Environment, which has given approval for the festival. Mr Neave will be present at the meeting between Mr Jenkins, Mr Airey Neave, Oxfordshire County Council, and representatives of the Thames Valley Police Authority and the Vale of White Horse District Authority.

The organizers of the festival, to be called the Fourth International People's Free Festival, think the attendance may reach 20,000. People in the village are also protesting. They plan a rally tomorrow.

Villagers of Chawton fête its dearest daughter

From Philip Howard
Chawton, Hampshire

It is a truth universally acknowledged that an English country village in high summer must be in want of a pageant, so that the women can dress to kill in Regency costumes, the children run riot, and the men escape all day to the beer tent.

The village of Chawton is having its festival this weekend. Nothing much has happened there since the Normans arrived, except for the things that really matter, like love and death, scandal, and families living peaceably in the same place for generations.

But in 1809, Mrs George Austen, a clergyman's widow, arrived to live

there with her daughters Cassandra and Jane.

While they were living in their converted posting inn called Chawton Cottage, shy Jane rewrote and managed to get published some domestic romances she had been scribbling, and blossomed into one of England's most perceptive and best loved novelists. She would have been moved and amused by the grand festivities with which her village is celebrating the two hundredth anniversary of her birth this weekend. Only Jane's affectionately malicious pen could do justice to the occasion.

Mr Richard Knight, her great-great-great-nephew, declared the festival open yesterday and said: "For some reason my great-aunt's writing

is becoming more and more popular all over the world; she seems to transcend the turmoil of our times."

The schoolchildren, many with such family names as Pink, Skate, and Chinkler, which Jane knew well, danced round a maypole in the public "house" car park. Chawton played cricket in period costume against Stevenston, the village where Jane was born. The match was according to rules 200 years old, which made it less tedious than the modern game has become and permitted more time for gossip and drinking. All the women of the village have made flower decorations for the church of St Nicholas, where Jane's mother and sister are buried. There is an exhibition of Chawton's blessedly uneventful

history in the village hall. Pilgrims are inspecting Jane's house and furniture, the oak that she planted and the views she described, and are reading the walks she trod. Today 600 members of the Jane Austen Society meet in a marquee at Chawton House, for tea and a talk by Professor E. Rieu, the village's oldest inhabitant, who is wearing a smock.

There is a shade of romance about Chawton this weekend. But of course, everywhere is a bit like Chawton, as the village's dearest daughter showed. The creaking door, page 12

Family gift completes Chamberlaine's archive

From Arthur Osman
Birmingham

One of the most important collections of recent history, relating to the Chamberlain family and their part in the conduct of Britain's affairs for the best part of a century, will be complete this week.

Mrs Dorothy Lloyd and Beatrice Maxwell, the daughter of Neville and Sir At Chamberlain, and granddaughters of Joseph Chamberlain, will hand over documents to university on Tuesday. It will complete a unique family political archive.

Among the items are papers relating to the declaration of war in 1939, the Munich crisis and the Locarno Pact, relations with South Africa, Irish home and family matters.

Mr Jenkins, Home Secretary for Birmingham, S. Ford, who is an historian, be present at Tuesday's party.

Joseph Chamberlain, died in 1914 and was Birmingham's first mayor. He left more than 30,000 letters connected with his career as a local politician and business as a minister in Gladstone's second administration, Colonial Secretary from 1903. There are documents about free education, housing, and income tax (imperial preference).

Sir Austen, who died in 1914, left 35,000 letters covering his history and his 45 years in Parliament and his government from 1892, as Secretary of State for India, Foreign Secretary, Chancellor of the Exchequer, and First Lord of the Admiralty.

Mr Neville Chamberlain also included family correspondence and diaries.

They also cover his management of a crisis in the West Indies, his role in local government in Birmingham, and his years as Minister of Health, Chancellor of the Exchequer and Prime Minister between 1937 and 1940. It is a collection of more than 2,000 letters, exchanged for a quarter of a century, by his sisters Ida and Henry.

Theatre company to get more aid

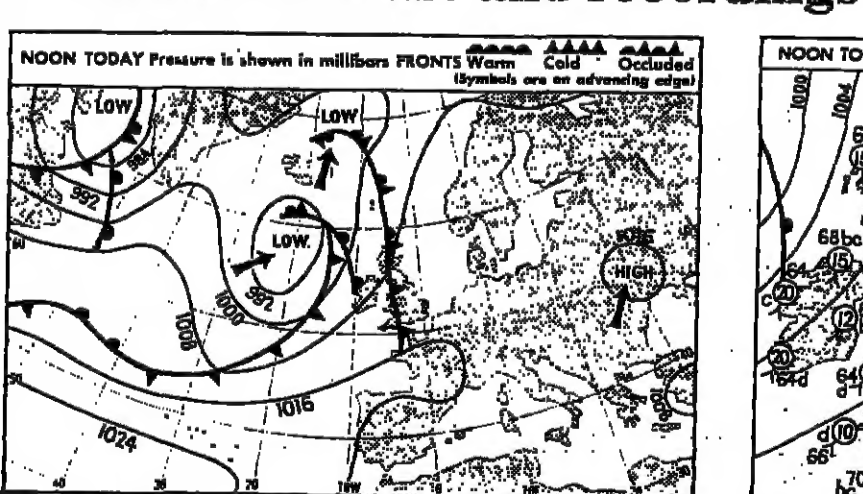
The Royal Shakespeare Company will be able to apply for another £12 million after an intimation of a sabbath increase in its grant from the Arts Council in year. Mr Trevor Nunn, company's artistic director, said that the company's financial situation was "very tight" and that it was "very difficult" to get the necessary funds.

It had been feared that the company would be forced to leave the Aldwych this autumn.

David Bowie was David Jones, before he began to dazzle the world of pop music with his extravagant performances. Now he has changed his name to David Bowie.

Mr Bowie has been in the *Sunday Times* Magazine for a feature on his new, restrained, but still electric music.

Weather forecast and recordings



Today	Sun rises:	Sun sets:
London	5.35 am	8.05 pm
Birmingham	5.38 am	8.02 pm
Manchester	5.41 am	7.59 pm
Edinburgh	5.44 am	7.56 pm
Liverpool	5.47 am	7.53 pm
Cardiff	5.50 am	7.50 pm
Belfast	5.53 am	7.47 pm
Exeter	5.56 am	7.44 pm
Gloucester	5.59 am	7.41 pm
Leeds	6.02 am	7.38 pm
Nottingham	6.05 am	7.35 pm
Sheffield	6.08 am	7.32 pm
Southampton	6.11 am	7.29 pm
Stoke-on-Trent	6.14 am	7.26 pm
Swansea	6.17 am	7.23 pm
Torquay	6.20 am	7.20 pm
Wolverhampton	6.23 am	7.17 pm
Wrexham	6.26 am	7.14 pm
Yarmouth	6.29 am	7.11 pm

Tomorrow	Sun rises:	Sun sets:
London	5.38 am	8.08 pm
Birmingham	5.41 am	8.05 pm
Manchester	5.44 am	8.02 pm
Edinburgh	5.47 am	7.99 pm
Liverpool	5.50 am	7.96 pm
Cardiff	5.53 am	7.93 pm
Belfast	5.56 am	7.90 pm
Exeter	5.59 am	7.87 pm
Gloucester	6.02 am	7.84 pm
Leeds	6.05 am	7.81 pm
Nottingham	6.08 am	7.78 pm
Sheffield	6.11 am	7.75 pm
Southampton	6.14 am	7.72 pm
Stoke-on-Trent	6.17 am	7.69 pm
Swansea	6.20 am	7.66 pm
Torquay	6.23 am	7.63 pm
Wolverhampton	6.26 am	7.60 pm
Wrexham	6.29 am	7.57 pm
Yarmouth	6.32 am	7.54 pm

WEATHER REPORTS YESTERDAY MIDDAY	C	Cloud	F	Fair	R	Rain
London	12	12	12	12	12	12
Birmingham	11	11	11	11	11	11
Manchester	10	10	10	10	10	10
Edinburgh	9	9	9	9	9	9
Liverpool	8	8	8	8	8	8
Cardiff	7	7	7	7	7	7
Belfast	6	6	6	6	6	6
Exeter	5	5	5	5	5	5
Gloucester	4	4	4	4	4	4
Leeds	3	3	3	3	3	3
Nottingham	2	2	2	2	2	2
Sheffield	1	1	1	1	1	1
Southampton	0	0	0	0	0	0
Stoke-on-Trent	-1	-1	-1	-1	-1	-1
Swansea	-2	-2	-2	-2	-2	-2
Torquay	-3	-3	-3	-3	-3	-3
Wolverhampton	-4	-4	-4	-4	-4	-4
Wrexham	-5	-5	-5	-5	-5	-5
Yarmouth	-6	-6	-6	-6	-6	-6

HOME NEWS

Rape case man freed because of error in judge's summing-up

A civil servant's rape conviction was quashed by the Court of Appeal yesterday because Judge Lord Justice Ormrod said the defence case in his summing-up to the Central Criminal Court trial was "virtually destroyed".

Lord Justice Ormrod, sitting with Lord Justice James and Mr Justice Nield, said the rape judge had "misapprehended the vital incident in the case of rape".

He told the jury that it was being alleged that the woman was raped by the defendant. Although counsel for the prosecution intervened in the summing-up to point out actually that that was not being suggested, the judge, on resuming his summing-up next day, repeated the point.

The clear view of this court is that the effect of this misapprehension was to virtually destroy the whole of the case for the defendant.

Lord Justice Ormrod allowed an appeal by Emmanuel Yaw Assan Adu, aged 31, of Gunter Grove, Chelsea, London, against his conviction on January 16 of raping a girl aged 22 at his flat. Mr Adu's conviction was quashed and his 30-month prison sentence set aside.

Lord Justice Ormrod said that the girl alleged that, after a party at Mr Adu's flat, he made her a cup of coffee which she tasted but threw away because it was bitter. At the trial she said that she found "pink bits" at the bottom of the coffee cup. There was evidence that police found a bottle of pink sleeping tablets in the flat. Mr Adu denied the whole of that evidence.

The prosecution case was that the evidence, if true, indicated Mr Adu's intention to rape the girl, but it was clear that she did not more than taste the coffee. According to the girl, Mr Adu took off her clothes and tried unsuccessfully to rape her. Later, after she had left the flat and then returned, she fell asleep on the bed next to Mr Adu. He was naked and she was naked or virtually naked.

The prosecution said that this morning when they awoke Mr Adu raped the girl. This was a very strange case of rape," Lord Justice Ormrod said.

Many points of the girl's story were patently weak and required explanation if the defence case based on consent was to be rebutted.

Spinster accuses police of concocting evidence

From Our Correspondent

Leeds

Evelyn Hudson, a spinster, accused of helping her elderly sister to commit suicide, said yesterday that senior detectives had concocted almost half of her statement to obtain a conviction.

On her second day in the witness box at Leeds Crown Court, Miss Hudson, aged 55, of Wyndway, Bradford, was asked by the judge to underline the passages that she said were concocted and she did so.

Mr David Savill, QC, for the prosecution, asked Miss Hudson: "Do you say that police officers have deliberately concocted evidence to get a conviction against you?" She replied: "I have already said so."

Further questioned, she declined to withdraw the allegation.

The prosecution claims that Miss Hudson, a retired British air clerk, deliberately encouraged and assisted her sister

Trials delayed by prison work-to-rule

From a Staff Reporter

Cardiff

Two trials at Cardiff Crown Court were postponed yesterday because prison officers, working to rule, refused to bring the defendants from jail.

In the first trial, which involved charges of forgery and rape, the jury was sent home.

The 150 officers at Cardiff prison are in dispute over staffing levels. Some prisoners on demand are being kept in police cells.

Prisoners at the jail have been confined to their cells since the dispute started on Wednesday and have not had exercise and association. On Thursday night they demanded food. The Home Office said that meals had been provided.

Parachuting spectacular opens to public

From John Chatterton

Atton Park, Cheshire

An enclosure has been opened at Atton Park, Cheshire, by Saddleback Wood and Terton Clump, place names at mean nothing to anyone who has not worn the wings of a Parachute Regiment on his shoulder, in the hope that old "paras" who have not met for years or more may be able to recognize one another and shake hands again today.

The great "parachuting spectacular", which will be open to the general public today, the Manchester area, was held in the evening at the first outdoor national reunion of the Parachute Regiment Association.

If there is a profit from the day the association hopes to be able to pay for a memorial in the park, now administered for the public enjoyment by the

World power 'will shift to owners of raw materials'

From Peter Hennessy

London

Lord Ashby, Master of Clare College, Cambridge, and chairman of the Royal Commission on Environmental Pollution, said yesterday that the world is moving from an era of power based on the ownership of raw materials to one based on the ownership of technology.

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Policeman is fined £325 for football assault

From Our Correspondent

Southampton

A policeman was fined a total of £325 by Southampton magistrates yesterday after admitting common assault on a football supporter and assault occasioning bodily harm. He was Constable Peter Ryles, who was awarded the British Empire Medal six years ago for tackling an armed man who shot and wounded him.

He said he thought the man he assaulted, Mr Melvyn Glover, a former Guardsman and army boxing champion, was a football hooligan. Mr Glover, who was with a party of Manchester United supporters, thought the plain-clothes officer was a football hooligan.

Mr Peter Danks, for the prosecution, said Glover was exchanged and Mr Glover was arrested. He said he had been trying to assist another policeman, but Constable Ryles hit him in the mouth.

Couple who stole two boys get five years

A Nigerian couple who stole two young West Indian brothers were sentenced to five years' imprisonment at Birmingham Crown Court yesterday. The boys, now aged four and five, disappeared from the home of their mother, Miss Ene Guthrie, in Sparkbrook, Birmingham, in the summer of 1973 and have not been found.

Neighbours said they saw coloured children at the couple's flat and heard cries of children being beaten.

Joseph Oromade, aged 33, and his wife, Joyce, aged 34, of Hindmarsh Road, East Dulwich, London, were found guilty of four charges of child stealing after an 18-day trial. They denied the charges.

Mr Justice Stocker said that the most serious fact was that the children had disappeared despite efforts of the police in Britain and by Interpol to trace them.



Stabbed PC dies: Police Constable David Green, aged 20, who died in a Birmingham hospital yesterday after being stabbed in the chest on Thursday night outside a dance hall. Police interviewed several youths yesterday and said later that they were looking for a cold, dark, curly Afro-style hair.

Football club sued

Mr Colin James Hathaway, aged 16, is suing Oxford United Football Club for damages over chest injuries he says he suffered in a crush of spectators.

Man cleared of post office raid

Mr Alfred Jolley, aged 37, of Hawthorne Road, Boodle, accused of taking part in a raid in which Mrs Gwen Volsey, a village postmistress, received shotgun wounds, was cleared by a jury at Reading Crown Court yesterday. He denied a charge of attempted murder and said he was in Liverpool on the day.

John Forbes, aged 22, serving a sentence in Peterhead jail, told the jury he shot Mrs Volsey and that Mr Jolley was not there.

12 years for rape

William Gibson, aged 44, a married labourer, of Wakemans, Upper Basildon, near Reading, was jailed for 12 years at Reading Crown Court yesterday for raping a girl aged eight. His plea of not guilty to attempted murder was accepted by the prosecution.

WEST EUROPE

Mr Wilson finds EEC summit's mood of pragmatism reassuring

From Michael Hornsby

Brussels, July 18

The summit meeting in Brussels of European heads of government, which ended yesterday, was an altogether more relaxed affair than previous gatherings at this level.

It is very much a matter of personal opinion whether this connotes a welcome conversion to the virtues of Anglo-Saxon common sense and pragmatism, compared with the past propensity for over-ambitious declarations of intent, or merely a resigned acknowledgment that there is no longer a grand vision of what Europe should be.

Whatever the truth, there is no doubt that the new mood is more to the liking of Mr Wilson and Mr Callaghan, both of whom seemed much more at ease in Brussels this week than on previous appearances at these Community meetings.

The fact that the Prime Minister was able for the first time to come before his European colleagues in something other than a "negotiating posture" to quote from his opening address to the summit—obviously contributed much to the more cordial atmosphere. Even President Giscard d'Estaing of France was moved to commend the "very positive spirit" shown by the British.

The President went through the motions of asking Mr Wilson for his views on economic matters and the goal so dear to the hearts of French ideologues. He did not press the point however, and was even said to have been satisfied with Mr Wilson's endorsement of this as a long-term aim that was not practicable in the foreseeable future.

On his side, Mr Wilson was able to make a modest gesture on direct elections to the European Parliament, even though he was not able to commit Britain unambiguously by mid-

Conference on European security in trouble

From Our Correspondent

Geneva, July 18

Hopes that the European security conference of 35 nations would complete its work today received a setback when several delegations intimated that they could not approve the final texts without subjecting them to further scrutiny.

Last night's provisional agreement on advance notification of military manoeuvres also became a matter of contention this morning when the Cyprus delegates said that, after tele-

Spanish authorities appear to play on ideological differences among political prisoners

Jailed Basques split into rival groups

From Robert Fisk

Bilbao

Basque separatists held without trial in the four largest jails of northern Spain have set up separate "communes" dividing themselves between militant nationalists and communists. They are held in conditions which many political prisoners in other countries would regard as comparatively mild.

In Basauri prison, the two-story black stone jail on the outskirts of Bilbao which houses the local police barracks, the inmates share their food and money; but they only do so among their own political associates. They now even sit apart in the prison canteen.

The nationalists, particularly members of the ETA movement, the separatist organization responsible for the death of several Spanish policemen this year, outnumber the communists and Maoists by two to one. During the past three months the two sides jointly staged hunger strikes for better conditions. But even then, there were arguments about the aims of prison improvement.

The jails themselves—the other three are at Pamplona, at Martutene, in San Sebastian, and at Nanclares, in Alaisan, which allows the prisoners plenty of time to talk among themselves. Discussions often concern the amnesty which most expect when General Franco dies. The Government appears to be making its own distinctions among the inmates, preferring, according to prisoners of all political persuasions, to release Trotskyists, Maoists and less militant members of the ETA movement after a few months, but keeping communists longer.

If this is a deliberately political decision on the part of the authorities, they may well have calculated that the daily and scarcely strenuous routine of the jails will give the inmates more time to recognize their political differences. Political prisoners are not required to work; they record few, if any, instances of brutality within their compound; and they say that the prison governor even allows them to watch television in the evenings—with special dispensation at Basauri to stay up late on Tuesday evenings for the weekly feature film broadcast from Madrid.

At Basauri, where 121 political prisoners are now being held, the day begins with a head count by warders at 7 am. Then comes breakfast. It comprises only coffee with milk, because prisoners' families are expected to provide the daily food. From 9 to 1 in the afternoon, the inmates may see visitors, read or wander about in their compound.

A two-hour stretch in the afternoon is also free, and so is a four-hour period in the evening. But the men held at Basauri are allowed only two visits a week from their families, each of 20 minutes, and one extra visit on a Sunday every month.

Prisoners who have just been released say that the regime in all four jails was much stricter before they protested at the conditions; and they are worried about the future of 100 men held for political reasons and recently taken from Pamplona prison to a jail near Madrid.

Community now hit by glut of milk powder

From David Cross

Brussels, July 18

Schoolchildren in Britain and other EEC member states will be encouraged to drink more milk, under new plans announced in Brussels today, to rid the Community of another embarrassing surplus of dairy products.

According to Mr Pierre Lardinois, the Commissioner for Agriculture, EC stocks of skimmed milk powder stood at 350,000 tons and could rise to nearly a million by the end of the year if no action is taken now. The Community's butter mountain is slightly smaller than it was a year ago—205,000 tons compared with 259,000 tons in 1974. But this, too, could grow later in the year.

The present milk powder surplus is due mainly to a fall in consumption in some member states, and to large stockpiles in other producer countries like New Zealand, the United States, Canada and Australia. The worldwide glut has brought world prices down and discouraged export sales from the Community.

Mr Lardinois told a press conference in Brussels that his latest plans, which would cost the Community about £15m, were designed to reduce milk powder stocks to between 450,000 and 500,000 tons by the end of the winter. Besides Community grants to raise milk consumption in schools, the plans included measures to in-



Senhor Emidio Guerreiro, secretary-general of the Portuguese Popular Democratic Party, appears at a window in Oporto yesterday, with a national flag upon his shoulders.

Doubts on Pluton missile

From Richard Wigg

Paris, July 18

France's Pluton tactical nuclear missiles, the novelty at this year's military parade on July 14, are denounced by M Raymond Aron, writing in *Le Figaro* today as "creating inevitably a double crisis" for French policy makers.

Their deployment in two army regiments stationed in the east of the country, he says, upsets the present Government majority and Franco-German understanding. "Putting the spotlight on the ambiguity of the diplomacy and the defence doctrine of France."

Asked today whether the question of the Plutons would be raised at the meeting in Bonn next week between President Giscard d'Estaing and Herr

Mayor asked to end plague of 'blue' films

From Our Own Correspondent

Paris, July 18

Three hundred families in St Martin, Brittany, have signed a petition to the mayor demanding that the local authorities "put an end to the plague of pornographic films" in their town.

In Corsica the mayor of Ogliastra has threatened to cover with paint anyone found naked on the beach. The town council had voted unanimously to do something dramatic to stop nude bathing.

Fairer deal for prisoners in Italy's outdated jails

From Our Correspondent

Rome, July 18

The Italian Parliament has finally approved wide-ranging legislation designed to improve conditions in the country's outdated and overcrowded prisons. The reforms, passed by the Senate last night, have taken about two years to get through Parliament. They are expected to ease overcrowding in the jails, where frequent revolts, especially in the stifling summer months.

Many of the reforms are aimed at improving the prisoners' status. They will no longer be required to wear the characteristic striped uniform and will be called by name rather than number. Telephone calls to relatives will be permitted and the authorities may only open their letters with the authorization of a magistrate.

One of the biggest innovations is that prisoners on short sentences will be allowed out on parole after serving half their terms and those serving less than six months will have the option of working outside the prison for part of the day.

During discussions of the new Bill, the Chamber of Deputies rejected a proposal for "special permits" which would have allowed prisoners of good conduct to leave the jail for five days for "human relations" with the opposite sex.

This was considered in the too great a security risk, but Senator Orlando Reale, the Justice Minister, told Parliament: "We cannot ignore the gravity of sexual problems in prisons and the Government hopes that adequate legislative solutions will be found in the near future."

The new law also calls for well-ventilated, properly lit, cells, heated in the winter, and provided with private lavatories. The cells must be equipped with power points for electric razors. At present prisoners have to be shaved by a barber.

Educational and vocational training facilities will also be improved. In addition only certain grades of prisoners will be forced to work and they will have the same hours as outside workers, with wages equal to two-thirds of trade union rates.

There are 30,000 prisoners in Italian jails, more than half of them awaiting trial.

Viewers pleased with new French television system

From Our Own Correspondent

Paris, July 18

The French are satisfied with their television programmes but would like more films and variety programmes and less political debates.

This conclusion, which will be the despair of several television critics, emerges from a survey conducted by the Sofres public opinion poll institute. The poll was commissioned by a group of provincial newspapers, which wanted to find out more about the strengths and weaknesses of their television rival.

Forty-three per cent of those questioned believed that the three competing channels, set up just over six months ago on the initiative of President Giscard d'Estaing to replace the old ORTF, provided more satisfactory programmes than the previous system. Only 22 per cent took the opposite view while 26 per cent doubted whether there had been any change in the quality of programmes.

Asked what types of programmes they wanted to see more frequently, the public gave the highest score to films (54 per cent), followed by variety (47 per cent) and then sports broadcasts (39%).

A devaluation of the green pound would please British farmers by raising the guaranteed minimum price they receive for their produce but would upset consumers by forcing up food prices. Also, it would reduce the large EEC subsidies paid to the British on imports of food from overseas.

Mr Lardinois said he did not know whether any decision would be taken next week. He personally thought it was the wrong time to make any big change. Clearly the Commission does not want to assume any responsibility for a move which could put up British food prices by as much as 2 per cent.

Governing party looks at Italy's new face

From Peter Nichols

Rome, July 18

The governing Christian Democrats are now completing the tortuous preliminaries for the meeting of the party's national council beginning tomorrow which is supposed to define their position after the spectacular Communist gains in last month's regional elections.

There has been talk of "re-founding" the party, but there is widespread feeling that the difficulties go far beyond its internal affairs.

The Milan *Corriere Della Sera* has pointed out that the need is for a "re-founding" of the state itself more than just the party.

Signor Amintore Fanfani, the party secretary, says he will not leave his post unless voted out of office. Most of the factions within the party have, to a greater or lesser extent, criticized his handling of the party's affairs; the opposition ranges from political to personal objections.

So far, the strongest candidate to succeed him, if he should be "removed," is Signor Flaminio Piccoli, whose brief tenure of office as secretary six years ago was undisturbed.

As a result of last month's elections, practically all the big cities are now in Communist hands. The Socialists, the Government's strongest ally, have made it clear that they are not automatically opposed to alliances with the Communists. They are thinking mainly in terms of local government, but Signor Francesco De Martino, the Socialist Party secretary, has implied that the Communist gain in the elections mean that the party can no longer be relegated to the Opposition benches.

Leading article, page 13

SPORT
Racing

Warsaw may change Irish luck for Wildenstein

From an Irish Racing Correspondent
Dublin, July 18

Five English, five Irish and four French-trained fillies constitute an international line-up for the 12th running of the Irish Guineas Oaks at the Curragh tomorrow.

Lester Piggott had choice of mounts between an English, Irish and French entrant and he finally settled for Juliette Marry, who at Epsom in June enabled him to equal Archie Ross's record of 21 classic wins. In the Oaks Juliette Marry came home four lengths ahead of Val's Girl with One Over Par on the first time Newmarket over Par overtook Epsom place-finishes with Val's Girl when relegating her to third place in the Lancashire Oaks at Haydock Park.

The explanation for this change in form is to be found in a pair of blinkers worn by One Over Par for the first time Newmarket over Par overtook Epsom place-finishes with Val's Girl when relegating her to third place in the Lancashire Oaks at Haydock Park.

The French team is headed by Nobiliary who failed in the Eclipse

Stakes behind Star Appeal but who had previously been runner-up to Grundy in the Derby.

A very strong second, French string must be Warsaw, the mount of Yves Saint-Martin. Warsaw has not done a great deal of racing but is unbeaten and last time out in the one mile five furlong Prix de la Porte de Passy left her 12 opponents trailing.

The local hopes include the Irish 1,000 Guineas winner, Mirilla, who has yet to be tested beyond a mile, the improving Vincent O'Brien-trained Tuscora, a 13-length winner at Phoenix Park, and Frances Jordan whose dam, Nazzanilla, was second in the first Guineas Oaks.

O'Brien rates Tuscora superior to his Royal Ascot winner, Gallina, and she must have each-way prospects. However, I narrow the issue down to Juliette Marry, Nobiliary and Warsaw and, as value for money, reckon it must be Warsaw who will win.

Daniel Wildenstein, had a recent change of English luck with Luscombe in the July Cup and who can do with a change of Irish fortune.

Newbury programme

[Television: (BBC1): 2.30, 3.0 and 4.0 races]

2.30 LEVY BOARD STAKES (3-y-o: £586: 6f)

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2.30 LADBROKE CLUB HANDICAP (£2,460: 7f)

202	004-012	Fabier Diplomat (Miss L. Schwalzer, Juia L. R. Am. J. Curren)	5
203	01-100	Super Splash (C) (Mrs H. Pendock, J. Dunlop, M. F. Thomas)	5
204	000000	Razer Baby (D) (B. Robinson, S. Ingham, Ron Hutchinson)	5
205	000000	Star (D) (Sir N. Turner, R. Smyth, D. S. G. Lewis)	5
206	42-1004	Rhodesmatt (D) (J. Carrington, P. Main, J. B. J	

Hitchcock's fifty years in films

by John Russell Taylor

There it is: the gesture I have so often seen in photographs and heard described by people who have worked with Hitchcock. The hands, seemingly chubby and inexpressive, suddenly spring into life and begin to carve a film out of the air. The fingers reaching at a right angle, they indicate a screen-shape, slice a composition out of the scene before us in Grace Cathedral, San Francisco, zoom forward and withdraw, isolate another detail, rest for a moment, then start again to illustrate precisely what Hitchcock is saying to his cameraman. The economy and precision of the gesture is striking. But then so is everything about the shooting of *Family Plot*, as it was currently called, the film with which Alfred Hitchcock celebrates his 50 years as a film director. Or rather, I should say, the film which marks the anniversary for everyone else since Hitchcock himself seems scarcely aware of it. For him this is a film like any other, made very much in transit from the last film to the next.

The atmosphere on a Hitchcock set is different from that of any other I have ever been on. Even before I was moved up from the Universal Studios in Los Angeles to this, the location of the key scene in the film (the kidnapping of a bishop in the middle of Mass), it was rather like making a film in church. There are some very gifted directors who choose to work in an atmosphere of apparent chaos. Billy Wilder, the veteran most recently working at the same studio, on *The Front Page*, kept the cast and crew in stitches with a constant stream of jokes and tricks, and seemingly welcomed any and every distraction, even to the extent of every now and then throwing the Universal Studios guided tour an unscheduled attraction by letting them troop in their hundreds through the sound-stage while he was actually shooting, to the consternation of the studio authorities. Not so Alfred Hitchcock. The studio set is strictly closed to visitors of any kind, and within an atmosphere of the utmost courtesy and formality prevails.

It is all part of a deliberate pattern. Ever since he arrived in Hollywood, back in 1959, he has directed in the same uniform of dark business suit, white shirt, and dark tie. This may have been a little peculiar even then, but now it is unique. Hitchcock explains the aberration from his own point of view largely in terms of comfort—understanding any job as arduous as directing a feature film, he wants to be as comfortable as possible, and since this is what he feels most comfortable in. But there is more to it than that. Clothing is especially susceptible to structural analysis in terms of signs and meaning, and by the code in operation a jacket means fairly formal, a tie means formal (whatever kind of tie, and whatever worn with) and a suit even the flashiest, most sporty tweed, means very formal indeed. So Hitchcock's working clothes mean to everyone else, the height of formality, and when they do likewise, as so many or later most of the senior members of the unit do, they are put automatically into a particularly restrained, formal, purposeful frame of mind.

Which, for Hitchcock's purposes, is perfect. There is no running around, nor raised voices, nor temperaments on a Hitchcock set. He himself sits quietly observing, occasionally speaking in a low voice to an actor or conferring with his cameraman, his first assistant, and his continuity girl. Round about, everyone walks almost on tiptoe, and one hears constantly the formulas of extreme courtesy—"I beg your pardon?" "I'm so sorry." "Might I suggest?" Even at a glance this is an operation entirely under control, knowing exactly where it is heading. And it should therefore not be surprising, I suppose, to discover that of all the films I have ever seen in production, this is the one which is being the most shot in one or two takes. But as Hitchcock says: "Why do more? It is all a question of knowing exactly what you want, aiming specifically at that, and knowing when you have got it."

The scene they are shooting on my first studio is a case in point. The situation is that a master-criminal (William Devane) and his girl

friend-accomplice (Karen Black) are just collecting on their latest caper—a giant diamond as ransom for a kidnapped businessman. The girl, heavily disguised in a blonde wig, dark glasses, and black from her rakish hat to her rather kinky, very high-heeled boots, has just slipped out of the diamond from the police and is now landing in a police helicopter which has flown at her unspoken direction to a golf course miles from anywhere so that the exchange can be completed. The whole sequence is disposed of in about three hours. First, in a partial moon, a helicopter, we see Karen Black gesture the pilot to stay where he is, look for a sign, get out carrying a gun and vanish into the darkness. Then the pilot gets out and looks after her. In a second arc, among some studio trees, she meets her boyfriend (with the kidnapper victim unconscious at his feet), hands over the diamond; he rapidly examines it, expresses satisfaction, and off they go, leaving the recumbent body to be picked up and taken back to civilization.

Economy is the watchword. The mock-up of the helicopter stands against a plain black screen which extends at most three feet beyond its nose. When the pilot gets out and walks round the front to stare after his mysterious passenger, he has to stay very close in to the machine, so as to remain in front of the black from the camera's point of view. I comment on this to Hitchcock, who seems very pleased—the rather complicated action of Karen Black getting out of the helicopter, after several rehearsals, has been captured on the first take, and the pilot's subsequent movement have run to two takes, the second modifying slightly the direction in which he looks and the speed of his reactions to what he sees and hears. "Remember," says Hitchcock, "all that matters, all that exists for the audience, is what is on the screen. It doesn't matter if the set extends no more than six inches beyond what the camera records—it could as well be six miles for all the effect it would have on the audience. The whole art is knowing what matters in each shot, what the point you are selling is."

This is very much Alfred Hitchcock Number Two talking. For I have come to the conclusion that there are at least three Alfred Hitchcocks. There is the public Hitchcock, the television performer, the well-publicized character. There is the professional Hitchcock, the dedicated film-maker who calculates everything down to the last detail and allows nothing to get in the way of his concept and its scrupulous realization. And there is the private Hitchcock, the shy, retiring family man, at home with his books and his pictures, his wife, his daughter and his dog, and a dry circle of close friends. Which is the "real" Alfred Hitchcock? Why, all of them, of course. The connoisseur of slightly ghoulish jokes and deadpan outrageousness who, earlier this same day, has been entertaining the Hollywood film press to an outdoor lunch in a studio graveyard, with the name and date of birth of each inscribed on a personalized tombstone ("It has always been my ambition to stage a gourmet lunch in a cemetery," he explained blandly to his slightly shaken guests) is just as genuine as the intensely private person I think I occasionally glimpse when we get talking about his earliest childhood memories or when he speaks to enthusiasm describing some of his own favourites among his eclectic art collection—a group of Rowlandson watercolours, a large Sickert he bought on an early trip to the Leicester Gallery, having found that he could just about afford to pay for it on the instalment plan. This fragmentation of personality is, no doubt, the only possible way to deal with the extraordinary situation in which he at present finds himself. Since right back in the 1930s, when Hitchcock's "trademark" of a tiny personal appearance in each of his films became known, he has been a more familiar figure than any other film director and, along with De Mille, the only one whose name attached to a film meant more than those of any of the stars in it. But since the television series *Alfred Hitchcock Presents* has really snowballed, he has become a rich man, and, more alarmingly, he has become probably the most universally recognizable person

in the world. A friend of mine travelling with him a couple of years ago put this notion to him jokingly, and when he argued against it, challenged him to come up with an alternative. Film stars out of their context were dodgy: imagine Barbara Streisand at your neighbourhood delicatessen, or Robert Redford on a Number 14 bus. Politicians were arguable outside their own countries—on an American street Mao Tse-tung would be just another Chinaman. But Alfred Hitchcock would immediately be recognized in any context, almost anywhere in the world, and as himself, not as some one who looked vaguely alike. (He himself says, except in England, where he is never recognized because he looks just like thousands of others—a statement we may take with a pinch of salt.)

But to retain sanity in such a situation it must be necessary to run one's life in watertight compartments, and Alfred Hitchcock at work, for all his amiability and chatiness, is a remote and mysterious figure, hedged about with etiquette. I am amazed, for example, at the transformation of Karen Black, whom last year I observed quite a lot during the shooting of *Day of the Locust*. There, in tune with the atmosphere of the production as a whole, she was playful, extrovert, kooky and from time to time temperamental; here, she is staid, deferential, eagerly concentrating on the purely technical problems of fitting into a staged action, re-creating a Hitchcock rather like a good little girl who hopes for an approving pat on the head from her teacher. Indeed, of the principal actors only, Bruce Dern, who figures in the other half of the plot, seems not at all intimidated—partly, no doubt, because it is hardly his style to be intimidated by anybody, partly because he is a relative old hand at working with Hitchcock: he was in several of the television shows, and appears briefly in *Marnie*, as the sailor the infant Marnie beats to death with a poker near the end of the film.

Both Karen Black and Bruce Dern feature prominently in the sequence Hitchcock is shooting in Grace Cathedral early the next week. It is the first occasion on which the two sides of the plot come together. While Karen Black and William Devane are carrying out their next kidnapping coup, Bruce Dern, a taxi-driver assisting his girl friend, a fake medium (Barbara Harris), in her search for a longlost heir, turns up at the cathedral to see the bishop, who is none other than the parish priest in the village where the heir was last seen. Now as it happens, the kidnapper is the lost heir, and has carefully been covering his traces ever since, so when he sees this man who has been

snooping around his early history, actually present at his latest kidnapping, he obviously jumps to the wrong conclusion, and from there on the two plots, quite in the dark about each other's intentions, are set on a neat collision course. (It is notable, by the way, that the revelation of the kidnapper's identity with the lost heir is the belated pay-off of the book, Victor Canning's *The Rainbird Pattern*, while Hitchcock, with his script-writer Ernest Lehman, reveals this early on and then builds up the psychological suspense through letting his audience know more than any of his characters do.)

Grace Cathedral, seat of the Episcopal bishop of San Francisco, is on Nob Hill, right by the Fremont and Mark Hopkins Hotels. It is, despite what should be its dominating position, rather tucked away among high rises: the building itself, an elaborate essay in vaguely French Gothic, is curious as being built entirely in reinforced concrete, and the grey plaster of a curving stair brought from the studio to represent the approach to the pulpit blends alarmingly well with the concrete column it twines around, so that it comes as quite a shock to find it ending in thin air out of view of the camera. Though in the script the denomination of the bishop is carefully unspecified, clearly the idea of snatching a bishop in the midst of High Mass, before the eyes of a crowded congregation, has a special devilish appeal for Hitchcock, the one-time sufferer from strict Jesuit schooling. This was the first sequence from the story that he described to me more than a year ago (at which time he was considering the possibility of making most of the film in San Francisco) and it is now the principal piece of location shooting.

Here the circumstances of shooting are inevitably more informal—the cathedral is open as usual, and anyone who cares to can drift up to watch, provided only they stay out of camera range. But the film-making process itself is as precise and concentrated as ever. Necessarily so, since there is a lot more involved, with many extras in the congregation to be directed as well as the leads. What has to happen is

that Karen Black, heavily disguised this time as an old woman, walks forward and collapses in the bishop's path to aid her, her accomplice, in a surprise, hurries forward and unobtrusively injects the bishop with pentathol, and as he loses consciousness the two of them drag the bishop out to a waiting car before anyone in the congregation realizes what is happening. The whole plan depends on the extra decorum of a church service to allow the kidnappers time before any reaction can be fully registered.

The extras, it seems, filled with that unfortunate desire that extras always have to act, have a hard time with this idea. "Can't you describe to us what is happening?" asks one pathetically. "So that we know what we're meant to be feeling and how we should react?" "Can you see what's happening?" asks Hitchcock. No. "Then there you are. You can't see what's happening, you don't know what's happening, you just have the vague idea that something is. You don't have to react beyond a slight show of curiosity." All the same, they want to, relishing each split second of screen time and trying to cram as much reaction as possible into it. Hitchcock remains calm and kindly, except that at one point he turns witheringly on one gentleman at the end of the front row is having a very animated conversation, all the

time, with his—well, with the woman he's living with. Now let's try and pay some attention to the movement of the picture! The shot finally in the can (three or four takes) he walks away, grins at me and says, "That's what you would call directing idiots." But since it has to be done, done it is.

Between takes I sit talking with him and Mrs Hitchcock (these days) rare appearances on the set: "I suppose it's my own background in silent cinema, where a big crew was eight or nine, but I don't find it so enjoyable with 60 people around. I always find myself visualizing the finished film from Hitch's scripts before he starts shooting, and then I like to stay away until the rough cut to see how far my visualization corresponds with the film. And how far did it?" "Pretty closely, as a rule. But there are always a few surprises." Of course, Hitchcock maintains, with a touch of nervousness, perhaps, that all the excitement of creating a film comes in the preparation of the shooting script, which in his case is a very detailed storyboard showing visually the composition of each shot. Even the direction of actors is more a matter of correct casting than anything else. In fact, given the materials ready at the start of shooting, anyone could make the same film. Or so he says. But even in something as

minutely prepared as *Deceit* (Ernest Lehman, who also scripted *North by Northwest*, says the preplanning here is even more obsessive) there is still room for last-minute changes and improvisation.

For example, in the actual abduction of the bishop Hitchcock surprises his cast by announcing that he does not intend to show this happening at all. There will be a quick flash series of close-ups—Karen Black's head moving out of frame as she springs to life, the hypodermic needle going into the bishop's arm, the bishop's face as he loses consciousness, and a puzzled reaction from the congregation. On the spur of the moment he adds one more shot, of Karen Black's feet scrabbling on the floor as she struggles to rise. And that is all. "The whole flash, before anyone has a chance to see what is going on. So that is the position I want the audience in too." Even though these shots will flash past in seconds, he still pays immense attention to getting them absolutely right, explaining carefully to the participants exactly what has to be clear from each one. As we leave at the end of the day he suddenly gets involved in explaining exactly where in the dummy arm of the bishop the needle should enter—"It may not look important, but get it a little off and dozens of doctors will be writing in at once to complain. In this business you have to

know a little of everything!" The first day in San Francisco it has been grey and cool. But on the second there is bright sunlight, so they seize the opportunity to shoot Bruce Dern's arrival, seen from high up on a building across the road. The bystanders are mystified because they can't see a camera, and a couple of ladies who look like mother and daughter ask me disappointedly, "Is that all—just that fellow entering the cathedral?" That fellow, I remark, happens to be the star of the film, Bruce Dern. "Bruce Dern," cries the daughter, buckling visibly at the knees. "I'm sure he looked at me when he went in. I thought he looked familiar." Bruce Dern. "Hitchcock is in a particularly expansive mood, and between shots we talk about all sorts of things. Some observations on the architecture around us lead to his asking me about Coventry Cathedral, which he has not yet visited, and the present state of Westminster Cathedral, which he has not been into for many years (though it was the scene of one of his most famous cinematic deaths, that of Edmund Gwenn in *Foreign Correspondent*); have they finished marbling the interior yet? How do the Eric Gill Stations of the Cross now look? And more about painting, inspired more to describe to me a cemetery for this film which he shot a few days ago in Glendale. Looking at a plan of it something struck him in its rigid layout of paths on a grid pattern, so he had a high platform built, and showed the whole pursuit in one shot with two tiny beetle-like figures moving back and forth in parallel and finally converging. Just like an animated Mandroid," he says with relish.

The sequence, as in so much of his filming today, was to find an unfamiliar way of embodying a familiar action. "You know, you've seen it a thousand times: shot of back of retreating woman; shot of front of advancing man, gaining on her; close-up of her breaking into a run, panicked; close-up of him, looking determined, getting closer, and so on. The scene is necessary, but if you shoot it the same old way it is boring. And audiences can imagine the reactions of the people involved for themselves, they don't have to be shown. So much in films is absolutely unnecessary, when you come to think of it—people just do this—when without questioning it. In this film there's a sequence with a runaway car careering out of control down a steep hill. Now for that you always have shots of the driver wildly twisting the wheel, with landscape flying past in process shot, then speeded-up shots of the road ahead seen through the windscreen, over the hood. But all of that is unnecessary, as well as being usually unconvincing. I'm doing it completely subjectively: big close-ups of the passengers, with a minimum of anything else visible, and shots taken at vertiginous speed of the road rushing to meet the camera, with no frame of windscreen, hood or anything, just the sensation of dizzying progression. It's the same with not showing the abduction, not showing the helicopter take off, just showing that it has happened from the reactions of those watching. And that's really why I decided not to localize the film in San Francisco. It is an exciting city to look at, but I got so that I felt if I saw one more car chase bouncing up and down those San Francisco hills I would scream."

Watching Hitchcock work, hearing him talk with such enthusiasm about the constant need for renewal, for seeing the unfamiliar in the familiar, for trying out new things, it is very difficult to remember that he directed his first completed feature film, *The Pleasure Garden*, half a century ago, in 1925. And yet there is a dogged consistency through everything he has done, and a sequence such as that he has just been shooting in Grace Cathedral, with its rapid montage, its emphasis on visual story-telling, could be transplanted complete to the silent cinema. In everything he has done he has sought the cleanest, clearest way of making his point and been rightly mistrustful of stylistic flourishes grafted on like Grace Cathedral's concrete pinnacles. When his films have their virtuoso effects (and there will be some classic examples in *Deceit*) they remain the simplest, sharpest way of making a point, telling a story. I remember him back in the studio, in the handkerchief-sized woodland set (like something straight out of *The Thirty-Nine Steps*), cutting short discussion of the shot in which Karen Black arrives with the ransom by saying simply "What are we selling in this shot? That the body is there and that it's not dead. Provided those two things are clear, nothing else matters." Provided the film is communicating with its audience, and doing exactly what its creator wants it to do to them, nothing else matters. And that is a question of as intrinsic an interest to Alfred Hitchcock now as it was 50 years ago. Long may it continue so. And so no doubt it will. For while he goes through the business of fixing this one on celluloid he already has a gleam in his eye which betokens that, as usual, he is already planning the next. . . .

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Good Food Guide The naked lunch in London

"Why do you eat campaign?" writes a Frenchman from the well-fed city of Strasbourg—"for restaurants in Britain to display their menus, as on the Continent?" Well, we had thought that this practice had become much more common, even if not universal, at least among those restaurants that are not too ashamed of what they have to offer, or too dependent on trapping the unwary customer before he can discover what his meal is likely to cost him. But it takes a foreign visitor to see us as we are, and though we would be the last to suggest that the contents of a menu are a reliable guide to the quality of the cooking, there is usually something to be learned from it apart from just the price. Especially when it is a matter of a set lunch.

Our Strasbourg correspondent forbore to complain how few such menus of any quality were to be found in London, nor perhaps did he encounter that refinement of genteel deception, the restaurant which possesses a set lunch menu but omits to offer it unless a guest is bold enough to ask. But of course, a catering trade less protectionist in its very soul than the British one would realize that a hungry, footsore tourist needs to be able to tell at a glance up and down a street which of the economical three-choices-in-each-course menus will offer him what he wants to eat at that moment—a traditional English pudding, perhaps, or a fish in prime condition like the one he has spied on a nearby slab.

It was with thoughts like these in mind that *Good Food Guide* inspectors have been trying a range of London lunches. We have excluded on this occasion the modest versions—mostly Chinese or Indian—that still try hard to squeeze in under £1 (a bargain indeed at the current exchange rate for a Frenchman, who may have difficulty remembering when he last bought a meal for under nine francs).

But at the top of the market,

likewise, no Frenchman would expect to get away with the equivalent of 35 francs, VAT and service included, that is charged for a three-course meal at the old Coo d'Or, one of the capital's most stylish restaurants. There is the further advantage that the management here keep their claret laid down for longer than most French restaurants would. True, judicious choice of food is necessary. Perhaps not every tourist in London realizes that the beef is better in Chicago and the veal in Rome, whereas lamb, if correctly cooked, is better here than it is anywhere else in the world—and better even than it used to be, for a smart restaurant's customers 25 years ago might not have been so particular about the pink meat and firm hint of garlic that have become almost de rigueur today.

At the same meal, it was more surprising that quiche Lorraine, now the cliché of every London wine bar, was "quite perfect, light and creamy with a delicately flavoured custard, good ham strips, and Gruyère cheese." Potatoes could have been done with some attention, and sweetbreads the near-universal English love of nursery decoration. But Roquette, a French restaurant which possesses a set lunch menu but omits to offer it unless a guest is bold enough to ask. But of course, a catering trade less protectionist in its very soul than the British one would realize that a hungry, footsore tourist needs to be able to tell at a glance up and down a street which of the economical three-choices-in-each-course menus will offer him what he wants to eat at that moment—a traditional English pudding, perhaps, or a fish in prime condition like the one he has spied on a nearby slab.

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But at the top of the market,

Chess A fate worse than death?

The country went to the devil, our army would bury itself in chess, and contemplation, our breadwinners would forget their wives in seeking after impossible mates. The whole world would be disorganized. But there is one interesting side-deeduction which Wells never made, it is that chess is an a-political pursuit. Neither the convinced communist nor the fervent fascist will enjoy playing, let alone excelling at it. Their minds are too fixed for them to revel in the poetic imagination that is necessary for a good game of chess.

There is nothing rigid about the following delightful game that was played at the La Palmas International Tournament this year:

White: Tal Black: Olafsson
P-Defence

1. P4 P5 2. Nf3 Nf6 3. Bb5 Bc6 4. Bxc6 dxc6 5. Qd2 Qd6 6. Qd3 Qc7 7. Qd4 Qb6 8. Qd5 Qa5 9. Qd6 Qb6 10. Qd7 Qa5 11. Qd8 Qb6 12. Qd9 Qa5 13. Qd10 Qb6 14. Qd11 Qa5 15. Qd12 Qb6 16. Qd13 Qa5 17. Qd14 Qb6 18. Qd15 Qa5 19. Qd16 Qb6 20. Qd17 Qa5 21. Qd18 Qb6 22. Qd19 Qa5 23. Qd20 Qb6 24. Qd21 Qa5 25. Qd22 Qb6 26. Qd23 Qa5 27. Qd24 Qb6 28. Qd25 Qa5 29. Qd26 Qb6 30. Qd27 Qa5 31. Qd28 Qb6 32. Qd29 Qa5 33. Qd30 Qb6 34. Qd31 Qa5 35. Qd32 Qb6 36. Qd33 Qa5 37. Qd34 Qb6 38. Qd35 Qa5 39. Qd36 Qb6 40. Qd37 Qa5 41. Qd38 Qb6 42. Qd39 Qa5 43. Qd40 Qb6 44. Qd41 Qa5 45. Qd42 Qb6 46. Qd43 Qa5 47. Qd44 Qb6 48. Qd45 Qa5 49. Qd46 Qb6 50. Qd47 Qa5 51. Qd48 Qb6 52. Qd49 Qa5 53. Qd50 Qb6 54. Qd51 Qa5 55. Qd52 Qb6 56. Qd53 Qa5 57. Qd54 Qb6 58. Qd55 Qa5 59. Qd56 Qb6 60. Qd57 Qa5 61. Qd58 Qb6 62. Qd59 Qa5 63. Qd60 Qb6 64. Qd61 Qa5 65. Qd62 Qb6 66. Qd63 Qa5 67. Qd64 Qb6 68. Qd65 Qa5 69. Qd66 Qb6 70. Qd67 Qa5 71. Qd68 Qb6 72. Qd69 Qa5 73. Qd70 Qb6 74. Qd71 Qa5 75. Qd72 Qb6 76. Qd73 Qa5 77. Qd74 Qb6 78. Qd75 Qa5 79. 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Watergate's lessons on press freedom

The freedom and status of the American press has been greatly extended and enhanced in law as a result of the Watergate crisis, and an extent which is still not fully appreciated. The judicial process and interpretation could be of interest on this side of the Atlantic, despite the differences between English and American law and the two systems of government, because of the Crossman diaries.

The freedom of the American press has of course always enjoyed constitutional protection. The First Amendment reads, "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof, or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

The Amendment has been an effective protection for the press since the beginning, but only in recent years has the Supreme Court been asked to define its rights, privileges and responsibilities. The press can be said to have begun with the *New York Times v. Sullivan* decision in 1964, although there were earlier decisions. This held that a public figure cannot successfully sue a publisher for libel unless he can show that the publisher maliciously printed a damaging untruth. The Watergate decisions went further.

For instance, they established that the freedom of speech and freedom of the press are not synonymous, and that the press has a larger freedom than the individual.

The free speech clause guarantees freedom of expression for newspaper publishers and individuals alike. The freedom of press guarantee gives explicit constitutional protection to publishing businesses, the only private businesses to be given such protection. In other words, the First Amendment guarantees the institutional autonomy of the press. The importance of this does not have to be emphasized.

This was the major premise of a speech entitled *Of the Press* given by Mr Potter Stewart, an associate justice of the Supreme Court, at the *Sesqui-centennial Convocation* at Yale Law School last November. It followed, Mr Stewart said, that the free press guarantee did more than ensure that a newspaper could serve as a neutral conduit of information between the people and their elected leaders, or as a neutral forum of debate.

The prime purpose of the free press guarantee was to create a fourth institution, an independent, objective, official branch, executive, legislative and judiciary. Mr Stewart referred to Carlyle's metaphor of the Fourth Estate, but the institutional autonomy of the American press means more than the right of British papers to report parliamentary debates.

Louis Heren

Plenty of action but no miracles from Mme Giroud

The title of Françoise Giroud's autobiography, published in England this week is *I Give You My Word*. Her word is that you can survive unhappily and losing childhood, concentration camp, an illegitimate child, a nervous breakdown. "I wanted to convey optimism through a difficult life," she said.

Mme Giroud, in London to launch her book, is the French Minister for Women's Affairs. She has held this post for exactly a year, most of the time ranking second in popularity in the national opinion polls. She is Minister for Health, who passed the abortion law reform and who, she says, has a more reassuring and motherly image.

Her background is in journalism, not politics. She edited the women's magazine *Elle* for seven years, then founded *L'Express*, the centre-left news magazine, with Jean-Jacques Servan-Schreiber, with whom she lived for many years. She has been credited with having a tongue as sharp as her pen, and is known for her crusades on liberal issues.

She ran *L'Express* on her own, in the face of bomb scares and threats because of the paper's subversive anti-colonial line, when Mr Servan-Schreiber was called up to serve in Algeria in 1956, with the determination and outspokenness that friends say are characteristic of her as her career.

When M. Giscard d'Estaing first offered a minor post for Women's Affairs she turned it down, on the grounds that she would end up by making coffee for the Cabinet. Only when it was upgraded to junior ministerial status did she accept. Her position is none the less still a nebulous one: she has no budget of her own, a

department of 12, attends each Cabinet meeting only at the invitation of the President, and depends on her powers of persuasion to get things done. "Everybody always forgets women, I am there to remind them," she says. "It's a question of cooperating with other ministers."

In a year she has promoted laws and amendments on alimony, maternity benefits, retirement, part-time work, social security for widows and divorced women, and taken steps to enforce the equal pay act.

She feels strongly about women being financially independent, "without which I don't even know what the word freedom means" (but equally she opposed the suggestion that women should be paid for staying at home and looking after children). It is due to her influence that a discrimination-against-women clause found its way into the last week.

One tangible aspect of her job is to "awaken the national conscience" on the subject of women, which she does by writing, lecturing and television appearances. She dreams up a television programme *A minute for women* which goes out every evening and gives practical information on women's rights and now has 7,000,000 viewers. Her staff have answered over 70,000 letters. "But I cannot change conditions in a year; I have no real illusions about that," she says. "It will take a generation to make any real difference."

Her worry is that people expect too much of her ministry. "There is no doubt that the President wants women to have more responsibility, and women in France are certainly beginning to assert themselves. But I cannot

change life. My ministry is not a ministry of miracles."

A radical on other issues (she voted for M. Mitterrand, not M. Giscard d'Estaing, in the elections, and has always been politically to the left), Mme Giroud believes that radical change in this field is dangerous. You have to change people's mentality. If you go too fast there could be a backlash. Men are very cautious and scornful, and women are afraid. You have to work in subtle ways. And she rejects as ridiculous the suggestion that she is there to protect women. "Protect them from what? We must teach them, give them responsibility. Then protect children as women get more freedom."

In her book, which has sold over 250,000 copies in France, Mme Giroud describes herself as "passive, shy, modest". But she also admits that she is incapable of remaining inactive for an hour without feeling guilty, and is therefore immensely energetic.

"I am a doer," she says. She gets things done because she is not intimidated, because she has an intense hatred for anti-semitism, and because she appears to be totally without self-pity. She was much influenced by her mother, who had a sharp sense of the ridiculous and would not allow anyone to be afraid. "Nor would she allow minor unpleasantnesses to assume false proportions, and cloud one's perspectives of the essentials," she says.

She is also an extremely private woman, something she inherited from an English governess who taught her never to talk about herself or bring up personal subjects. The result is an autobiography which is more of a social history—the one known and written about, with humour and insight, Fran-



Photograph: Warren Harrison

George Hutchinson

Do our MPs really want to be seen as bureaucrats?

Soon, you will be nobody at all in this country unless you are a public servant of some sort, protected, privileged and pensioned by the extension of that wayward class who will protect to take their chance in productive private business or other forms of individual enterprise and self-expression, instead of clinging to the state, that is to say their fellow citizens. Public servants are the real elite nowadays, the new and swelling aristocracy.

Our national character, strongly marked in the past by self-reliance and independence, seems to have undergone a melancholy change. Of course that quality is now a discount, penalized as it is by confiscatory taxation and undue regulation and then further discouraged by the knowledge that our inflated and inflationary bureaucracy—local and national, industrial and administrative—must continue to grow both in numbers and influence while the extension of public ownership and direction remains at the heart of Labour policy.

As most of us are probably agreed, we cannot afford more nationalization for nationalization's sake, or any other variety of the same thing; but we shall have it unless the present Government is checked or dislodged. We cannot afford more public servants, great or small; but we shall have them unless Mr Wilson's programme to moderate his programme. To the extent that it remains intact (or in prospect) his counter-inflationary measures are bound to be weakened, when they could be appreciably strengthened by a timely devaluation. It is certainly a debate that future policy will be determined by the economic and financial realities of the day, and by those considerations alone, which necessarily involve a thorough going re-examination of public expenditure, current and projected.

Where it had merit (and it had a good many merits), Labour's idealism has largely been satisfied in the past 30 years. Mr Wilson can hardly expect us to embrace national

bankruptcy for the sake of a remnant that might sensibly have been discarded long ago, as Britain became what it is, a free society, in which we are entitled to take pride, present tribulations notwithstanding.

If this outlook is not too far removed from his own innermost instincts, and he could convey something of it when he speaks next week, Mr Wilson would really make his country, never mind the indignation of the Labour left. A great opportunity lies before him and may not come his way again.

Having said that, it is exceedingly unfortunate that so many substantial pay rises, actual, prospective or dole, should have come into view just as everyone is being social upon to exercise restraint. The director-general of the Greater London Council, who already earns £18,000 a year, is invited to accept an additional £4,000, while chief officers with salaries of £13,000 are offered £2,800 more. Mean-

while, the heads of nationalized industries are asking for rises.

If all this has created a bad impression, serving only to inflame the *Scariffs* in our midst and disgust many others, it has been compounded—alas—by the award for awards, I should say to another arm of the bureaucracy: Members of Parliament.

Yes, another arm of the bureaucracy—for that is what MPs have become by a recent action of their own. To avoid (or evade) the savage new national insurance contributions imposed on self-employed people they chose to make themselves employees of Parliament.

Self-employed, as if they were salaried officers of the House, like a librarian, for example. Thereby they escaped the *Castle Levy*.

above his conditions of employment and indifferent to such advantages as they may offer?

Their decline into the engulfing bureaucracy has been carried a stage further this week by the Government's astonishing proposal of doubling the salaries of MPs' pensions may be related not to their real salary but to a much larger national sum, namely £8,000, which is what the open-handed Lord Boyle and his committee wanted them to have instead of £5,750.

Now I understand the Government's dilemma and the quandary in which individual MPs find themselves. Their prospective salary is not excessive, though some of the allowances may be open to dispute. But the pension provision seems to me to be quite irregular, and not at all keeping with what the Government is urging on the rest of us. In any circumstances, let alone the present, it would surely be improper.

If members accept it they will simply confirm and empha-

size what I am suggesting—that they must now be considered part of the bureaucracy, determined like the army and the navy in Whitehall, and entrenched in every town in the country—to protect themselves and let inflation take the rest of us.

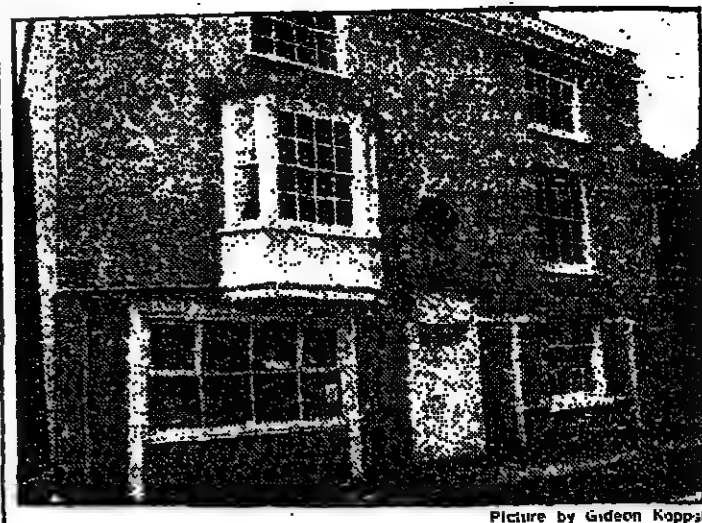
An agreeable little ceremony took place in the Carlton Club on Tuesday evening: the formal acceptance and hanging of a portrait of Mr Heath by Peter Greenham, RA. It occupies a place at the foot of the staircase reserved for paintings of recent Prime Ministers.

Everyone remarked that Mr Heath was in splendid shape—sunny, relaxed, seemingly without a care. Lord Tweedsmuir, the club's chairman, explained that Mrs Thatcher—the first woman member—meant to be present but had been called to the last minute to a meeting of the Committee of Privileges.

That was rather a pity. It would have been a nice occasion to bring her together with her predecessor.

Times Newspapers Ltd, 1975

Creaking door that shielded a novelist from the world



Picture by Gideon Kopp

The house at Winchester where Jane Austen died.

This weekend the little village of Chawton in Hampshire is celebrating the bicentenary year of an occurrence that was to make it famous—the birth of Jane Austen. Not that the queen of English novelists was actually born there; that happy event took place on December 16, 1775, at another village some distance away, Steventon, near Basingstoke, where celebrations began next Friday. What put Chawton on the map was the fact that it contains the cottage where Jane Austen completed her six great novels.

It was Jane's brother Edward who argued the move to Chawton in 1809. The family had lived in Bath—where the father, the Rev George Austen, had died in 1805—and later in Southampton. Edward had been adopted by the children's uncle, Thomas Knight, and had inherited the manorial properties of Godmersham, Kent, and Chawton. He offered his mother the choice of a home at either place and she, with Jane, her elder sister, and their high-wedged friend Martha Lloyd, took over a cottage on the Hampshire estate.

Chawton Cottage had been the home of Edward Austen Knight's steward, and had to be extensively altered before Jane and her family could move in. It stands at the end of the village near what was once a busy crossroads on the main road to Winchester, though time and the dual carriageway have changed all that. Jane Austen's niece Caroline, in a letter, described it as "a good sized entrance and two sitting rooms made the length of the house, all intended originally for a school, and the large drawing room window was blocked up and turned into a bookcase, and another opened at the side which gave the view only of the garden and the high wooden fence and horseman hedge south of the Winchester Road, which sheltered the whole length of the little domain."

Jane herself wrote to her brother Frank, a naval officer later to become Admiral Sir Francis Austen: "Our Chawton House, how much I already in it to our mind. And how convinced, that when I will all other houses best. That ever I have been made or minded. With rooms concise or rooms extended."

Old Mrs Austen's chief delight was the ample garden, where she grew not only flowers and shrubs but also vegetables, and could be found digging up potatoes in "a round green smock like a labourer's," according to Caroline.

The daily business of the house was dealt with by Cassandra and John. The elder girl took charge of the place while Jane was responsible for making breakfast each day, and for the stores of tea, sugar and wine. It was a busy and sociable life. Jane had her household duties; the cottage continually echoed with the sounds of hooves and carriage wheels, and the village people constantly called to see the good natured and welcoming Austens—not, perhaps, the sort of surroundings in which you would expect to find one of the greatest writers not merely of her own but of any age.

And yet Jane did, at a desk in the little room over the door, write *Sense and Sensibility*, *Pride and Prejudice* and *Northanger Abbey* before going to Chawton, and now began revising the first two. (*Northanger Abbey* had been sold to a publisher, but she had not time to revise it before she died.) Jane got it back in 1816, adding to it a preface in which she apologized to readers who might think parts of it were out of date. It was finally published a year after her death.

Sense and Sensibility was published in 1811 and *Pride and Prejudice* two years later. Encouraged by her success, Jane started work on *Mansfield Park*, which was followed in rapid succession by *Emma* and *Persuasion*. Such was her strength of mind that frequent interruptions could not put her off her stride. When visitors arrived at the village children, with whom she was a favourite, called to see her, she simply tucked her beautifully written manuscript under her blotting pad and turned to talk with them in her customary warm, jolly manner. The only perception from the outside world she claimed was that the hinges of the living room door should be oiled, so that their creaking might warn her of a caller's approach.

Apart from writing, she loved playing the piano. Young Caroline records that Jane began her day with music—for which I conclude she had a natural taste—as she thus kept it up—she had no one to teach—she was indeed (as I have heard) to play in company, and some of her family cared much for it. I suppose, that she might not trouble about the choice of her practicing time before breakfast—when she could have no room to herself. She practised every morning, and much that she played was from memory. I have copied out by herself—and so neatly and correctly, that it was as easy to read as print.

Jane was also fond of, and with her characteristic neatness, good at sewing—"she was a great adept at overcast and satin stitch, the peculiar delight of that day"—and was keen on games of skill like croquet and billiards (in which the player had to pick up one of a heap of wooden or ivory spools without disturbing the others). She liked, too, a drive by donkey cart into the nearby town of Alton for shopping.

Thus the comfortable life at Chawton Cottage went on, with Jane now a successful and famous writer, and by the Prince Regent himself, until 1816, when the family fortunes and Jane's health, never very robust, went into a decline. Edward had become involved in a lawsuit over Chawton Manor, and was in danger of having to turn over the estate to a claimant from the Knight family. At the same time another brother, Henry, a banker in Alton, was declared bankrupt, and an expected bequest from Mrs Austen's brother failed to materialize.

The effect on Jane's constitution, already racked with a malignant disease and strained by nursing Henry through a long illness the previous year, was disastrous. The family survived its bad patch—Edward retaining the Manor and Henry repaying his debts—but Jane did not. On May 24, 1817, she left Chawton to stay in Winchester and receive medical attention. There, in a house next to the College and in the shadow of the Cathedral, she died in Cassandra's arms on July 18.

Mrs Austen survived her daughter by 10 years, and the year after the old lady's death Martha Lloyd left Chawton to become the second wife of Francis Austen. The cottage was kept up until Cassandra's death in 1848, when it was split into three tenements for estate workers. It has now been restored as nearly as possible to the state in which Jane Austen knew it, and is preserved as her museum.

David Sinclair

Sanditon, Jane Austen's unfinished novel, now completed by "Another Lady", will be reviewed by Philippa Toomey on the Arts Pages on Monday.

Sportsview

Just after 10.30 on the morning of August 23, 1875, a 27-year-old Englishman, Captain Matthew Webb, staggered out of the sea on to the beach at Calais to become the first human being to swim the English Channel. Immediately a messenger was despatched to telegraph to London and the rest of the world the news that the Channel had been conquered at last.

In the next few weeks hundreds of people will be taking part in Captain Webb centenary celebrations in different parts of the country. In the Channel itself a special swim is being organized by the British Long Distance Swimming Association on August 18, and in Webb's home county, Shropshire, a number of events are being arranged, including the carrying of a message from the swimmer's birthplace in Calais by relays of runners and swimmers.

It is hoped that these celebrations will help to recreate in

terest in Webb and his historic feat. Over the years he seems to have become a forgotten hero, certainly among the younger generation. I discovered this the other day when talking to a group of small boys. They knew all about Captain Scott, most of them had heard of Captain Cook and Captain Kidd, but none could put a finger on Captain Webb, whom they described variously as a sort of socialist and the founder of the Salvation Army.

This is a pity because Webb's short life contained enough adventure to fill countless boys' magazines. The son of a country doctor, he was born in the small town of Dawley. When he was quite a small boy he helped to rescue a younger brother from drowning in the River Severn. It is said that he yearned to go to sea after reading *Masterman Ready* and other sea stories; at any rate he was sent to the Conway training ship, on the Morsey, when he was 12, and it was here that he met his second rescue, saving a comrade who had fallen overboard.

By the time he was 14 he was at sea, and in the next few years sailed the world. His exploits in this period became known to many seafaring men, but he did not become a national figure until 1872. While serving on the Cunard liner *Russia*, he dived into the angry sea, with waves "houses high", to try to save a seaman who had fallen from the rigging. The passengers on board were so impressed with his courage that they collected £100 for him and he later received the medal of the Liverpool Humane Society.

In January, 1875, Webb was promoted to captain, but a few months later he gave up his command to concentrate on swimming the Channel. His first attempt ended in failure, but on August 24, clad in a striped silk trunks, he dived off Dover Pier on the start of his second attempt. By the light of a three-quarter moon he swam all night, using, for the most part, a steady breaststroke. As well as beet tea and coffee, he took liberal doses of old ale, and occasional doses of brandy.

At five o'clock the following



A contemporary drawing of Captain Webb's arrival at the beach at Calais. Illustration by courtesy of Salop County Library.

morning land was sighted, but a strong wind was blowing and the tide was taking him off course. Waves dashed in his face and he could hardly see. He had been swimming for 16 hours and his strength was nearly spent.

Somewhat he struggled on. His face, white and haggard in the morning light, showed the men in the escort boat. But by 8.45 he had barely half a mile to go. At 10.35 he was in only five feet of water. Five minutes later he was on his feet, but on the point of collapse. Immediately he was surrounded by friends, who helped him up the beach. He had travelled more than 21 miles and been in the sea for 21 hours 45 minutes—a journey medical experts said afterwards was almost unparallelled in the history of human progress and endurance.

Webb's subsequent adventures, and his hideous death eight years later when he tried to swim the Niagara Rapids, are well enough documented. Webb himself appears as a shadowy, elusive figure. Some years ago, however, I was lucky enough to talk to some-

body who knew him as well as anyone—his youngest sister, Margaret. She gave me a vivid picture of her brother, clearly a cultured, sensitive and warm-hearted man who loved his home and family, and adored his little sister.

When I spoke to her Margaret must have been one of the few people left alive who remembered the Great Swim. "I was at boarding school when the news came in," she told me. "They made such a fuss of him, and I thought it was most Matthew, who had swum the Channel. Little did they know that I couldn't swim a stroke."

Webb claimed a trail that has been followed by hundreds of swimmers from all over the world in the past 100 years. It is a measure of his achievement that in spite of great improvements in swimming techniques, training methods and our knowledge of the Channel, it was 36 years before his feat was equaled and 59 years before his time for the English Channel crossing was surpassed.

Mrs Audrey Scott, secretary of the Channel Swimming

Association, tells me that swimming the Channel today is as popular as it has ever been, though 152 men and 40 women have conquered it. This year the association is awarding a special centenary silver salver to the fastest man and woman to swim the Channel by August 20. Nobody has succeeded so far, but at least 35 more people are going to try.

Webb's most lasting achievement was in making the world realize that swimming was a healthy and satisfying exercise, and that it was important to be trained in the art of life-saving. A contemporary account of Webb's swim has been reprinted this year by the Salop County Library, and there is a new book on Webb due out this month. I hope that boys, especially, will read them, having done so, will agree with me that if Captain Webb is not perhaps in the same league as Captain Scott and Cook, he does deserve a modest place among England's heroes.

Tom Freeman



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EUROPEAN COMMUNISTS

Anxieties about Portugal are only one facet of wider concern for the future of parliamentary democracy in Europe, particularly along the southern flank. Until a few years ago it was widely accepted that communism had little future in western Europe. Discredited by Stalin, by recession in eastern Europe and by economic failures it seemed increasingly defensive in the face of booming prosperity. Like crime, it was thought to be primarily a symptom of poverty where it was not pure conspiracy, and the conspiratorial element appeared to be diminishing as the Soviet Union became more interested in political stability and western technology.

Electoral support for communist parties and alliances is still small. Even in Italy the Communist Party managed to increase its share of the votes in parliamentary elections only from 19 per cent in 1946 to 27.2 per cent in 1972. In France the percentage dropped from 28.6 per cent in 1946 to 21.2 per cent in 1973, though admittedly it has risen slightly in comparison with 1958 or 1968. In Finland, Iceland, Luxembourg and Portugal the communist vote has ranged between 17 and 12 per cent. Elsewhere it is below 10 per cent. In West Germany and Britain it is negligible.

Nevertheless, the idea of communist politicians sharing power in democratic governments appears to be becoming more rather than less acceptable in some countries with relative large communist parties, while in Portugal a communist leader managed to gain ministerial office for a while, and a lot of political power. Communists have also been becoming more conspicuous in trade unions and other positions of influence.

The most immediate and obvious reason for this development is that communist parties themselves, encouraged by Moscow, have deliberately set out to present themselves as responsible partners in left-wing coalitions, playing down their revolutionary aims and playing up their claim to be accepted as legitimate representatives of "the working class" in countries where they win too few votes even for that, particularly

in northern Europe, they have also set out to gain influence in other ways, particularly through trade unions. Moscow has backed up these aims by emphasizing its desire for stability and mutual non-interference and its own claim to respectability as a partner in trade and political security.

This has been made easier by the fact that the Soviet empire is no longer quite as grimly horrible as it was while the image of the United States is no longer quite so attractive as it was. Also a new generation has grown up which does not remember Stalin and is often ignorant of present-day realities. The attraction of communism has not been eroded by prosperity as easily as might have been expected. For every member of the proletariat who has moved up into the bourgeoisie there is a disadvantaged, a homeless family, an alienated intellectual, or someone else seeking a base from which to attack conventional politics and the failures of industrial society. The membership of communist parties has often changed a great deal but their numbers have not in general diminished.

Just how much of a real threat does this pose? The answers are so different in each country that generalizations are difficult. Clearly there is practically no prospect of any communist party gaining an electoral majority anywhere. Nor is there much prospect of a party seizing power by force on its own or leading a genuine revolution. It is precisely this realization that has caused communist parties to seek other roads to power.

Their chances depend on the interaction of internal developments and the policies of Moscow. Internal crises on their own may benefit communists but are at least as likely to benefit right-wing forces. With Moscow's help the tide of events might be steered to the left. Thus, even allowing for the relative indifference from Moscow of parties such as the Italian or the Spanish, a certain amount may depend on whether Moscow really accepts the status quo in Europe or whether it is going to push for an extension of its influence.

This in turn depends a good deal on whether failures in

western political life provide openings which increase the temptation to interfere. No government which justifies itself by revolutionary ideology can wholly and openly abandon its claim that history is on its side. Equally, no Russian state, ideological or not, could wholly abandon attempts to neutralize western Europe as a potential threat to its sphere of influence. There is less conflict between the state and the ideological interests of the Soviet Union than is sometimes supposed. Even if the Soviet leaders were determined revolutionaries they would not necessarily believe that the best tactics were to use the communist parties of western Europe to foment as much trouble as possible. They understand well enough the realities of the balance of power in Europe and the forces that would be ranged against them.

There is, therefore, little danger at present of overt bids for power in western Europe. The Soviet Union knows they would probably be counterproductive, difficult to control, and certain to damage or destroy the entire structure of détente with the United States and the west which brings a range of political and economic benefits. There is, however, a continuous Soviet quest for political influence in western Europe through communist and other channels with the aim of protecting Soviet interests, preventing the western alliance from becoming too strong and united and preparing positions that will enable the Soviet Union to influence future developments, whatever they may be.

Up to a point these are legitimate political aims but the west needs to be more conscious that they are being pursued, wary about the methods used, and very firm in making clear that if pursued without restraint they are bound to be incompatible with the sort of normal, peaceful and cooperative relations which the Soviet Union professes to desire in Europe.

Western politicians also need constant reminding that alliances with communists are dangerous because communists are bound by the nature of their beliefs to treat promises as tactical and not binding.

MPs' pay rises and the fight to control inflation

From Sir Martin Lindsay

Sir, Several of your correspondents who protested against an increase in MPs' pay did so on the grounds that they should not be insulated from the inflation for which they have in large part been responsible.

I have long believed that MP's pay is too low, and when in the House we were pulled in 1961, I gave my opinion that it should then have been £5,000. Nor do I now seek to make a party point.

Nevertheless one is forced to notice that there was rough justice in yesterday's announcement. For most of those who shouted "Disgraceful" at the paucity of the award have a direct responsibility for the current level of inflation. They were among those who, in order to embarrass Mr Heath's government, encouraged many strikes and pay demands, when he sought to control inflation, and they did nothing to persuade this government to take earlier action.

Yours etc,
MARTIN LINDSAY,
London, W2,
July 17.

From Mrs Thekla Kelly

Sir, As the wife of a civil-servant I am answered by the unqualified suggestion that MPs' salaries should be linked to a scale in the Civil Service. Civil servants are specifically instructed to devote their full time to their duties and we have seen from recent cases how careful they have to be in this respect.

Whereas, as we all know, MPs need not toe the line of duty so rigidly, quite a number have full-time incomes from other quarters. Can we honestly say that at least some of this income is not derived from having the charismatic letters MP after their names?

The answer is clear and simple: to insist that MPs declare their actual earnings and any who are obviously, by virtue of devoting their whole time to their work, suffering deprivation, can then have their salaries adjusted. If civil-service equivalence is what they desire I would suggest the scale of Assistant Secretary, which is near to that suggested by Lord Boyle.

The result of my suggestion would be that the total bill would be less, the rises would go to those devoted to their calling (and true to the promises made on the hustings) and the consequences far more equitable—justice not only done, but seen.

Yours faithfully,
THEKLA KELLY,
1 Hackwood Park,
Hexham, Northumberland,
July 17.

From the Bishop of Southwark

Sir, The Times today (July 17) mentions two suggested pay awards that are of interest to your readers, especially those who like myself live in London.

I am suggested that Members of Parliament shall receive a salary of £5,750. I have thirty constituents, in full or part, in my diocese and during the past sixteen years I have had the pleasure of knowing personally many of the Members irrespective of viewpoints. Few of us have the leisure to devote time to their pockets and perhaps even less know the financial predicament that faces some of them in fulfilment of their public duties. Whether or not the proposed rise is too much or too little is not for me to say. Instead I make a simple

plea. If our representatives at Westminster are to be of the best calibre we must spare them financial embarrassment.

It is suggested that the director of the Greater London Council should have an increase of £4,000, bringing his salary to nearly £22,000. I make no personal criticism of Mr James Swaffield, for whom I have considerable respect. My criticism is of those who made the proposal. To suggest an increase of £4,000 at this particular time is political and moral lunacy! How can we expect the miners, the nurses, the Members of Parliament and the teachers and millions more to accept the policy of the White Paper if people employed by local authorities receive awards of this nature?

Many of us are doing what we can to encourage people in all walks of life to accept sacrifice and not to press for a higher standard of living. It is disheartening, to say the least, to learn of a proposal which expects the rate-payers to give such a large sum to a man who is already infinitely better off than the vast majority of his fellow citizens. As a Londoner I protest, and I hope others will do the same. Yours sincerely,
MICHAEL SOUTHWARK,
Bishop's House,
38 Tooting Bec Gardens,
Streatham, SW16,
July 17.

From Colonel C. F. H. Gough

Sir, Nearly a year ago, you kindly published a letter of mine drawing attention to the plight of a small and declining group of ex-MPs, who, because they retired or lost their seats in 1964, were arbitrarily excluded from the MPs' pension scheme, which was inaugurated as from that year, pari passu with substantial increases in MPs' pay and emoluments.

Up to a short time ago, this injustice was not even considered by the Boyle committee on the grounds that it was "not within its terms of reference". It is now understood that at long last and thanks to the unflinching support of quite a number of existing MPs this anomaly is being considered and may be expected by the end of the year.

As one of that small group, I would like, with respect, to suggest to those MPs, who are reportedly clamouring for large increases that they would set a much-needed example and even widespread respect if they first seek to put right the real and in some cases desperate hardship of a few of their predecessors, before pressing their own claims.

Yours sincerely,
FREDERICK GOUGH,
Widmore,
Lodsworth,
near Petworth,
Sussex,
July 17.

From Dr Roland Graham

Sir, Acceleration must be measured in units involving time twice. A freely falling body accelerates at 32 feet per second per second (ft/sec²), a train may accelerate at 1 mph per second.

Likewise, pay and price increases should be measured in similar units. The £6 per week limit is really £6 per week per year, or 50p per week per month. This is what the new pay policy should allow. Thus MPs, if they wait 31 years from their previous increase, would be allowed £21 per week, or £1,095 per year—

Cost of replacing the elm

From Mrs Robin Lewis

Sir, Dutch elm disease—"What would it cost to promote a massive replanting of broad-leaved trees of some more resilient species..." asked Mrs Jacynth Hope-Simpson (July 14).

An estimate given by Somerset County Planning Department indicates that Somerset is now the worst affected county, having lost, or being about to lose, a total of one million elm trees: this is a county where the elm tree is so prominent a feature of the countryside. Some areas are now either treeless or marked by skeleton timber: an ugly reminder that this is the worst outbreak of Dutch elm disease of all time. The recent hot, dry spell has highlighted further victims.

Planting 5,000 trees a year, it would take 200 years to replace half the equivalent of the original field elms in this county, only one of those so affected. This is a situation where individual generosity, however welcome, could be but a drop in the ocean. A purposeful injection of public funds is required, such as was forthcoming after the floods of 1968 in the West Country.

Although temporarily in dire financial straits, can this generation afford NOT to ensure a landscape worthy of future generations? Let the Government set its priorities NOW that help will be given to counties needing to repair massive landscape damage as a result of the ravages of Dutch elm disease.

Replanting across should be, and all growers should be asked to increase their stock, knowing that there would be a market over a period of years.

Yours truly,
ROBIN LEWIS, Hon Secretary,
Somerset Branch, Council for the Protection of Rural England, 1 Fulbrook, Charlton Mackrell, Somerset, Somerset.

From Mr G. C. S. Curtis

Sir, Many people must share Mrs Hope-Simpson's anxiety (July 11) for the future of the English landscape. In Essex alone at the end of 1974 it was reckoned that 200,000 elms were dead or dying of the disease, and this in a countryside which had lost many of its hedgerow trees to meet the demand of modern agriculture for enlarged units of cultivation. So far from saving its hand the pestilence is, if anything, accelerating and has now started to devastate north-west Essex, an area hitherto immune.

But since 1971 we in Essex, county council, district and parish councils, the landowners (CLA), farmers (NFU), farmworkers (NAAAW) and the amenity societies (including the Essex branch of the Council for the Protection of Rural England), have waged a joint and continuing campaign for the replanting of trees. One quarter of a million trees have been planted to date.

The county council has its own team which have been responsible for about 30,000 trees, and its experts have advised on planting on private land. The county council pays a grant which varies from 25 per cent to 75 per cent of the cost in accordance with an assessment of the probable value of the trees at maturity. The county council has an annual allowance of £40,000 for this purpose. Eventually the cost is shared between ratepayer and taxpayer by grants from the Countryside Commission to the county council.

We will have to continue our efforts for many years and we shall do so. There is, however, one problem which we have not faced. The removal of dead elms which are now becoming a melancholy feature of the landscape. This has now attracted the attention of the county council, and it is beyond the resources of the existing firms of tree fellers, and seems to call for intervention by the Ministry of Agriculture. At a time of unemployment it should not be difficult to raise men, and equip them with a small portable saw, and remove what will otherwise be for many a long year a grisly reminder of a beauty which has perished.

Yours sincerely,
GERALD CURTIS, Chairman of the Essex Countryside Committee, Houses, Great Sampford, Saffron Walden, Essex.

Best-seller lists

From Mr Clive Bingley
Sir, I understand from my librarian that Mr George Mikes, who has the appalling temerity to declare (July 16) that Widen should not be classed as a book, the author of something entitled *How to be an Alien*. Very appropriate, Sir! Yours faithfully,
CLIVE BINGLEY,
Clive Bingley Ltd, Publishers,
16 Pembroke Road, W11.

Left-handed

From Mr A. V. B. Broke
Sir, Mr Marshall (July 17) should not be puzzled by the abundance of left-handed golfers in Australia. To play back to front is nothing to one who is already playing upside down. Yours faithfully,
ADAM BROKE,
21 Hazlewell Road, SW15.

From Lt-Col B. J. G. Madden

Sir, The answer to Brigadier Allen's question in July 12's Times, I think, "not quite all violinists". Some years ago the BBC televised a chamber orchestra which included a left-handed violinist. What surprised me more than anything was that he was sitting in the middle of the row and not at one end where I would have thought he would have been less of a hazard to his neighbours.

It would be interesting to know if he is still around or if his colleagues found the strain of keeping an eye on his bow and the Conductor simultaneously too much for them. Yours faithfully,
B. J. G. MADDEN,
Roxingdon,
Hertfordshire.

THE OUTLOOK FOR HOUSING

One probable result of the Government's controls on incomes will be an end to the timid recovery that has been seen in the private housing market. Fewer people will be able to buy, some will find it impossible to keep up payments they have recently taken on, and builders are likely to repent of the slight increase in output that they have committed themselves to in recent months. The present welcome flow of funds into the building societies can only be of limited value if there is no demand for it to give expression to. Thus the only two bright features in the entire field of housing—private construction and the societies' deposits—offer only the slightest cheer.

The two features that were supposed to give an encouraging note to the economic package—the limit upon council rent increases and the absence of any specific restraints upon construction on public housing—are, respectively harmful and irrelevant. They may have been necessary to gain the acquiescence of the left in the measures, but they work against the urgent need to bring public spending under control, and in particular to restore a semblance of order to council housing accounts.

As recently as 1968 council rents covered three-quarters of running costs; today, they pay for substantially less than half, if rent rebates are taken into account. On the capital side, building and purchase (on borrowed money) cost many times what they used to, and old loans at low interest must be replaced by others at higher interest, so that the burden of debt associated with housing is rising with startling speed. These facts in themselves, without any need for specific controls, are likely to prevent any increase in new building by councils, and may cause a decline even from today's pitifully low levels.

In the meantime, thousands of families remain homeless. It is not clear that their numbers are increasing greatly, though some workers in the field are convinced that that is so. The official figures of those applying to councils for temporary accommodation—admittedly an imperfect guide—suggest that last year the increase was small. The problem is certainly localized, though severe where it exists. In any case, it is still true that many thousands of families are living in unacceptably cramped or decayed housing, or kept temporarily in hotels or hostels at great cost in public funds which might otherwise have been devoted to more lasting provision. In some areas, such as inner London, the older stock has been falling to pieces so fast that enormous building programmes have not even compensated for the loss.

The present crisis has made it clearer than ever that we cannot simply build our way out of our housing problems. Still less can the public sector do so, as at present financed. In this dilemma, it is not surprising that the Government has been glancing at possibilities that until recently seemed politically inconceivable. The other day Mr Crosland, speculating vaguely in that fashion which so appeals to one's taste for open government, and sends such a chill through those whose own vital interests are touched, said that the whole matter of the tax concessions to mortgagors deserved study. Mr Freeson soon hastened to allay the ensuing panic by denying that the Government was thinking of abolishing those advantages—leaving the inference to be drawn that it was indeed thinking of diminishing them.

There is a case of this kind to be made out, but the arguments are extremely complex, and the harm that could be done to individuals by any hasty or doctrinaire

decision is grave. It is true that the almost unparalleled advantages of home ownership as an investment have distorted the market to some extent and contributed to the long decline of private tenancies. In spite of the special arrangements at the top of the scale, tax relief on mortgages tends like any other tax relief to be of most benefit to those who are best off. The owner-occupier who bought before 1970 has not only made a mighty capital gain (not subject to tax), but is also making repayments in greatly depreciated pounds.

But those who bought more recently are paying instalments which they may no longer be able to afford on an asset whose capital value may even be declining. Any unfavourable change in tax would fall with devastating force on the new mortgagor. The future course of inflation and demand make it impossible to predict the effect of tax changes upon a twenty-five year bargain. In addition, home ownership is worth encouragement in itself, because it is the condition that the majority of families aspire to. In the long run private construction, if spared interference, may well be more capable than public of sustained growth—something which could, of course, relieve much of the pressure on council housing.

The inquiry into future strategies going on in Mr Crosland's department needs to remember, in this as in other contexts, that the aim of housing policy is to provide the largest, the best equipped and the most widely accessible stock of homes that the country can afford. These general objectives are more important than particular considerations, such as the balance of financial advantage for notional owner over notional council tenant, or that security of tenure of private tenants which has been the main factor in frightening landlords out of the market.

Post Office finances

From Lord Pritchard

Sir, I read in your columns today (July 14) of the Post Office's intention to reduce services and cut down staff in the interests of economy.

May I, through your columns, implore the Government not to reduce overseas facilities as even today it is a major operation to reach the operator for international calls where STD is not yet available. This is probably one of British exporters' greatest handicaps in contrast with our European and trade partners, and we all pray for the day when there may be more not less operators at the International Exchange and more lines available for STD overseas calls instead of the engaged signal.

Yours faithfully,
PRITCHARD,
27 Baker Street, W1,
July 14.

From Dr J. B. C. Grundy

Sir, The Post Office plan for an 81p stamp are surely disastrous, if only because letter-writing is one of the few remaining bastions of literacy. It is almost comforting to think that telephone charges are to rise as well.

Squatters and the law

From Mr John Butcher

Sir, Twice this week you published letters complaining of the police not enforcing the law. One dealt with the obstruction caused by pickets and the other related to squatters. The common factor is political acceptability. Pickets are supported by the trade unions which now control the Labour Government. Squatters have the sympathy of many Socialists and Communists who do not share the same respect for the individual's rights in property as do Conservatives, Liberals and the courts.

This week's report by Sir John Hill, the Chief Inspector of Constabulary, records the enormous difficulty which the police have in dealing with law enforcement. Their difficulties are compounded by these growing groups of political delinquents. But the police would be helped if the Home Secretary would make it abundantly clear that the Government will support them in dealing with pickets and squatters. To have any credence the Home Secretary ought to be able to show that he has unanimous Cabinet approval for his stand. It would also be helpful if the public could rely on non-Cabinet ministers and Government backbench MPs lending their support.

In the Commons debate on police manpower yesterday, Mr Jenkins gave no indication of the Government's resolve to back the police in this way. The Rule of Law has been severely eroded in the last two years and any police officer who dares to complain that politicians have contributed to this is likely to suffer a setback in his career.

The Labour Party's permanent and irreversible shift of wealth, to those (who work for those) who produce it, is being accompanied by a permanent and possibly irreversible shift of social, and therefore legal, concepts in favour of those who have no wealth. If unchecked, this trend will favour everyone—for every man will have no wealth. At present this revolutionary provokes relatively little reaction from those who have produced wealth.

This is as well, for there is a danger that property owners will take the law into their own hands and follow Lord Denning's judgment in the *McPhail* case by evicting squatters, using no more force than is reasonably necessary—from first floor windows.

Yours truly,
JOHN BUTCHER,
31 Radnor Walk,
Chelsea, SW3,
July 11.

Girls at boys' schools

From Miss Sarah Hollis

Sir, Last December I left Westminster School after two and a half years. I was, therefore, one of the girls to whom Mrs Cadbury referred in her letter published on July 17.

While at Westminster I studied for science "A" levels and then gained admission to Girton to read medicine. It may be that Westminster is fortunate enough to have masters, all of whom come within the exceptions of Mrs Cadbury's third paragraph. At all events, I know that the experience of being taught by masters and with boys on equal terms has given me a greater understanding of people and their problems as well as training my intellect.

In my last year I was Head of House and Girls' Representative on the Monitor and I, and all the other girls, took a full part in school activities. It is true that we did not row or play soccer, but we joined in the other sports (sports) and girls have represented the school in tennis and fencing.

Although we were in no sense treated as "a privileged minority", I think we all regarded it as a privilege to be at Westminster. I hope that many other girls may be given similar opportunities.

Yours truly,
SARAH HOLLIS,
13 Rippledale Grove, N1,
July 13.

From Dr T. E. Warner

Sir, I consider your correspondent, Mrs L. J. Cadbury, to be a little premature in her criticisms. For a start, in Wycliffe College where I have been an assistant master, I can remember two girls being prefects (and excellent prefects too), one the President of the Literary and Debating Society, another the Sergeant-at-Arms in the same, a girl in the swimming team, and several girls in positions of leadership in many aspects of the school life. Girls frequently take the prizes with great acceptance at the school service on Sundays; girls take a leading part in the venture scout movement etc.

However, Mrs Cadbury's complaint that we are not qualified to reach girls assumes that we are not capable of learning from experience. Are we public school masters as bad as all that? Yours etc,
T. E. WARNER,
Wycliffe College,
Stonhouse,
Gloucester,
July 17.

Public expenditure

From Mrs S. M. Liddall

Sir, In all the talk about cash ceilings and pay and dividend restraint I have not heard of any suggestion that there should be a ceiling on public service pension increases. Perhaps it is not generally known that such pensions are index-linked on retirement, even at 60.

Certainly there was very little comment in the press at the time this open-ended commitment was sanctioned by Parliament. MPs now have the opportunity to put a ceiling on this pension award, which is excessive by any standard.

Yours faithfully,
S. M. LIDDALL,
41 Swaffield Road,
Sevenoaks, Kent.

Solicitors' loyalty

From Mr Richard York, QC

Sir, May I from the other side of the profession join in the chorus against

your ill-informed suggestion that solicitors will sue anyone except a fellow solicitor?

I doubt if my experience is different from any other member of the Bar. No one is infallible, even her Majesty's Judges are occasionally corrected for their mistakes ("negligence" by the Court of Appeal or the House of Lords). Solicitors know they are no more and no less infallible.

Since almost my earliest days at the Bar I have on a rare but not insignificant number of occasions been asked by solicitors "have we been negligent in our conduct of this matter?" Indeed, the last occasion was only last week. If the answer is Yes they want to know three further things, not necessarily in this order:

- 1 shall we put our insurers on notice?
- 2 do we have to report this to the Law Society?
- 3 obviously we must tell the client to get separate legal advice (ie,

go to another firm of solicitors), do you want to make any recommendations? Sometimes I do, sometimes I do not or cannot.

No solicitor can be expected to sue a personal friend: he could not do a proper job if he tried. Therefore this can lead to difficulties especially in smaller communities where a handful of firms all know each other well. But the Law Society itself will always provide the names of firms willing and able to act. And distance is no more than a minor inconvenience in practice.

In no case of which I am aware has an action in negligence against a solicitor been pursued with loss, industry, application and vigour. Indeed, if a distinction could be drawn it would more likely be the other way: perhaps as a vindication of professional honour.

I have the honour to be, Sir, your obedient servant,
RICHARD YORK,
Gray's Inn Chambers,
Gray's Inn, WC1,
July 2.

THE TIMES

BUSINESS NEWS

مكازم التحصيل

Personal investment and finance, pages 16 and 17

Keyser Ullmann makes £61m loss after property loan provisions

By Christopher Wilkin

The full extent of Keyser Ullmann's exposure to loss in the property market emerged yesterday when the company's annual report revealed it was making a £61m provision against bad debts.

The scale of the provisions for the year to the end of March, which follow a similar item of £30.6m for the previous year, was considerably greater than even the worst City expectations.

Its effect is to turn an operating profit of £4.8m into a pre-tax loss of £59.2m, which, after tax, rises to a net loss of £60.9m. The year before Keyser's pre-tax loss had been £12.8m, but the bank was able to show a net profit of £22.3m because of an extraordinary profit of £28.2m which arose on the sale of Central & District Properties.

Even the £64m of provisions understates the full extent of the troubles that Keyser has encountered, primarily as a result of property lending activities. These account for around 80 per cent of its total loan portfolio and possibly over 95 per cent of the provisions.

The £64m is comprised of £51m for bad and doubtful debts and a further £13m, which represents the potential loss arising from financing costs incurred when the income from securities held against loans is insufficient to meet the interest cost of deposits taken to finance those loans.

However, Keyser has put a further £18.5m into a suspense account to meet the cost of interest payments which have fallen due but have not been paid. This item has been struck before arriving at the operating profit.

The fundamental result of these write downs has been to reduce Keyser's net assets from £104m to £42.5m, while its advances have shrunk from £254m to £176m.

World output of steel falls 10pc in first half

By Peter Hill

Industrial Correspondent

World steel production has fallen sharply in the first half of this year. Output was down by over 10 per cent on the corresponding period of 1974 and there is little prospect of any substantial improvement in demand until at least the spring of 1976.

The latest production figures issued by the International Iron and Steel Institute—whose members account for about 98 per cent of world output outside Russia and Communist bloc countries—further underline the steepness and most rapid fall in demand since the start of the Sino-Soviet War.

Production in the first six months of this year was 10.1 per cent less than a year earlier with production down to 218,955,000 tonnes from 243,524,000 tonnes in the same period last year.

Last month production by 115 members fell by 14.5 per cent on levels achieved a year earlier, with output totalling 34,040,000 tonnes compared with 39,827,000 tonnes in June last year.

All the indications are that the situation will worsen still further, although the size of further falls will vary from country to country.

The British steel industry, with the British Steel Corporation the dominant force, can see little hope of demand improving until well into next year. Stocks held by merchants and consumers are at unprecedented levels and there has been little sign of any significant destocking taking place.

The BSC's losses are running at a rate of more than £4m a week, and although it is seeking to make wide-ranging economies so as to minimize the extent of the looming deficit this year, corporation executives are not happy with the indifferent result achieved so far—particularly on the employment front.

According to the IISI, United States steel production in the first half of this year was 14.4 per cent down on the corresponding period of last year at 57,814,000 tonnes, while Japanese production over the same period was 11.4 per cent lower at 51,936,000 tonnes.

Output among members of the EEC over the first six months amounted to 68,030,000 tonnes, representing a fall of 13.2 per cent on the corresponding period of last year.

Further, although the size of further falls will vary from country to country, the British steel industry, with the British Steel Corporation the dominant force, can see little hope of demand improving until well into next year.

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Citibank lifts its prime lending rate to 7½ pc

From Frank Vogl

Washington, July 18

First National City Bank of New York today increased its prime lending rate to 7½ per cent from 7¼ per cent. The bank has now raised its rate three times in three weeks, but other major American banks have been slow to follow the Citibank's lead.

The Bank of America, which had held its prime rate at 7 per cent for many weeks, today increased it to 7½ per cent.

Such leading banks as the Chase Manhattan, Irving Trust and First Chicago are maintaining a 7½ per cent prime, while many other big banks are still at 7 per cent.

Next week is likely to see most banks move to 7½ per cent, while a small number may join the Citibank at 7½ per cent.

But a modest easing of Federal Reserve policies could well see the Citibank back to 7½ per cent before too long.

The significant upward movement of interest rates in the last few weeks is a direct result of tighter Federal Reserve policies which have been prompted by the Fed's growing anxiety at the rate at which the money supply has been expanding.

The Fed's tighter policies have resulted in a significant increase in money market rates. The federal funds rate rose 61 per cent, having reached 7 per cent at one point yesterday and with 90-day bills quoted around the same level.

The higher prime rates come at a time when loan demand continues to remain extremely sluggish. New York Fed data show that loan demand at the 12 major New York banks in the week ending on Wednesday fell by \$217m (about £100m) after declining by \$197m in the previous week.

The continued sluggishness of loan demand is leading many government economists to make downward revisions in their economic forecasts for the remainder of the year.

There appears to be no doubt among these economists that coming months will see a return to real economic growth, but they are admitting that the upswing may be even slower than they had expected a few months ago.

Administration leaders had forecast only a couple of months ago that new housing starts would reach an annual rate of 1.8 million units by the end of the year.

But Mrs Carla Hills, the Secretary of Housing, told the joint economic committee of Congress today that new forecasts suggest the rate might be just 1.5 million by the end of 1975 and 1.6 million by the end of the first quarter of 1976.

Deposit basis rose at an annual rate of 10.3 per cent in the three months to July 9.

Cloud over record US bank profits

Washington, July 18—Major American banks are reporting record net profits for the second quarter of this year, but at the same time they are announcing record provisions for possible loan losses.

In many cases the losses are expected to lower the net real estate investment trusts (Reits) to bank earnings of Reits and real estate loans.

The financial problems at the Reits are now so great that a new study suggests that their number will fall by 1980 to just 25 from about 211 today.

In a report entitled, "Impact on bank earnings of Reits and real estate loans," the First Boston Corporation said the reduction in the number of Reits would come from both consolidation and dissolution, with probably six companies going bankrupt. Many banks have already instituted the reorganization of Reits.

The report suggested that about \$300m (£136.5m) of Reits assets have been liquidated and that the total may eventually exceed \$1,000m.

Losses to the banks from Reits could be significant. Boston noted, however: "We disavow any conjecture that real estate loan losses will cause the demise of any major banks."

Leyland sells loss-making Authi to Fiat and names successor to resigning Innocenti chief

By Clifford Webb

After more than a year of holding the scenes manufacturing, British Leyland has at last sold its Spanish subsidiary, Authi. An announcement within the next few days is expected to name Seat, the Spanish affiliate of Fiat, as the new owner.

The purchase price will be much less than the £26.7m offered by General Motors of America in May, 1974. This deal fell through when GM refused to accept rigid government conditions designed to limit sales in the domestic market, while insisting on a firm commitment on future investment plans.

GM only withdrew its offer in February. Since then, British Leyland has stopped production and dismissed the bulk of the 4,500 labour force, at the Pamplona assembly plant and the Santander engine works. By agreement with the Government

the dismissed workers are receiving compensation equivalent to seven months pay.

A skeleton force has been retained to maintain the plants and produce a limited number of spare parts.

Authi has been a consistent loss-maker, but British Leyland was prepared to carry it because of the enormous potential in Spain, Europe's fastest growing car market. However, a combination of the corporation's acute cash problems and the collapse of world car markets forced its hand.

In May, BL announced that it had made a £29.3m provision in its first half accounts to cover the closure of Authi, so whatever it can now recoup will be cash in hand.

Second BL overseas subsidiary has run into trouble. Yesterday Dr Pier Giovanni Bella, managing director of

British Leyland headquarters in London said Mr Percy Plant would assume the functions of president and managing director of Innocenti. It reaffirmed BL's "unequivocal interest" in its Italian associate but refused to amplify the reasons for Dr Bella's resignation.

Mr Plant, a former financial controller of BL, was sent to Milan about a month ago. Before that, he was managing director of British Leyland Authi and still retains responsibility for it.

British Leyland bought Innocenti in 1972 for £2m and installed Mr Geoffrey Robinson as managing director. He carried out a major reconstruction of the company and its product lines which was so successful that 18 months ago he was recalled to do a similar reorganization at Jaguar, Coventry.

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American Express to buy RIB consortium

By Our Banking Correspondent

Rothschild International Bank, the consortium bank in which N. M. Rothschild holds a 23½ per cent interest, is being acquired by American Express in a £20.3m purchase.

The purchase price is not being revealed, but is believed to be around the value of RIB's share capital and reserves. At the end of last year these totalled £11.3m.

The deal makes the first breakup of a major consortium bank, and comes at a time when many such banks have been seeking a new direction in the wake of the crisis in the Euro-currency markets which followed the collapse of Herstatt Bank last summer.

RIB, formed in 1967, saw its 1974 profits fall from £2.3m to £1.5m, while its £384m assets rose from £348m to £422m.

The bank was originally formed to specialize in medium-term Eurocurrency lending and, in the case of some of the shareholder banks, to provide a foothold in the growing London-based Eurocurrency market.

More recently, however, several of the 11 shareholders have felt their interests increasingly diverging from those of the bank. In some instances this has been because the shareholders have become more strongly represented in London on their own account.

This has been the case, for example, with the Industrial Bank of Japan, while Banque Lambert and Pierson, Holding and Pictet have been taken over by bigger banks (respectively Banque de Bruxelles and Amsterdam Rotterdam Bank (Amro)) with substantial existing Eurocurrency business.

RIB has increasingly been concentrating on its merchant banking rather than commercial banking operations and has felt restricted by its original brief to concentrate purely on the medium-term markets.

But the prospect of its expansion into such areas as corporate finance and Eurobonds also threatened to bring it further into conflict with the interests of some of its shareholders, notably N. M. Rothschild itself, which already have strong merchant banking operations.

As far as American Express is concerned RIB fits nicely into the context of its aspirations to establish a major merchant banking presence in London. Through American Express International Banking Corp, the company presently operates a commercial banking business worldwide with capital of £125m (about £57m) and assets in excess of \$2,000m.

Mr Thomas Stenor, RIB's managing director, is to become managing director of the enlarged bank.



Mr Stenor: To stay as managing director

Opec funds abroad hit by drop in oil demand

From Our United States Economics Correspondent

Washington, July 18

Member countries of the Organization of Petroleum Exporting Countries are likely to have a substantially lower current account payments surplus this year than in 1974.

The United States Treasury now estimates that the surplus of this year will be \$45,000m (about £20,000m) compared with \$60,000m last year, while economists at the Morgan Guaranty Trust Co estimate that the surplus will be below \$40,000m.

In a report today the Morgan experts estimate Opec's second quarter surplus at about \$8,500m against an estimated \$9,000m in the first quarter. Morgan expects Algeria, Ecuador, Indonesia and Libya to end the year with deficits.

These countries saw declines in their foreign exchange reserves in the first five months of this year totalling \$3,200m.

But International Monetary Fund figures show that Opec as a whole increased its foreign exchange reserves by \$9,500m in the January-to-May period.

A new United States Treasury report states that the expected \$15,000m fall in the Opec surplus this year will primarily reflect decreased demand resulting from world recession and a

possible increase in Opec import volume of 30 to 35 per cent after a gain of nearly 40 per cent last year.

The Treasury said data for the first four months of this year suggest that Opec is placing about 10 to 11 per cent of its surplus funds in the United States (about \$2,000m for this period) against about 19 per cent in 1974 when that total volume was \$11,000m.

About 36 per cent of the surplus appears to be going into Eurocurrency markets compared to 38 per cent in 1974.

An increased percentage of the Opec surplus has gone so far this year to developing countries, international financial institutions and to development banks.

The Opec surplus is the difference between the total of the Eurocurrency and North American areas, the Treasury said.

Most Opec investment in the United States last year was in the form of short-term deposits, but the Treasury said that this has now changed, and Opec countries were investing more in longer maturity portfolio investments in Treasury and government bonds, longer-term bank time deposits and corporate securities.

Measurements have been lengthening for regular United States bank deposits held by Opec to three, six, and nine months.

Coking plants face closure

By Ronald Kershaw

Two South Yorkshire coking plants employing 650 men are threatened with closure unless the Department of Energy permits the owners, National Carbide Company, to raise prices on domestic coke.

Mr Dennis Stroud, the chief executive, said yesterday that the company has applied to increase the selling price of domestic coke by £5.25 a ton.

The current price is £22.85.

An appeal against price restrictions imposed by the Department of Energy would be lodged within the next few days, Mr Stroud said. If unsuccessful, closure of the Barnsley and Rotherham plants would have to be considered.

He stressed that all other activities of the group, including four coking plants, remained healthy and profitable.

Chancellor ends doubts on ACT route for dividends

A swift move by the Board of Inland Revenue has put an end to the uncertainties created by reports of a recent court ruling which would invalidate established practice in calculating the rate of advance corporation tax, at which present dividends should be netted down.

The Inland Revenue has been authorized by the Chancellor of the Exchequer to say that "if necessary, in the light of the judgment, amending legislation will be included in the next Finance Bill providing with effect back to 1973 that the rate of ACT to be used in the calculation is that in force on April 6, 1973."

This effectively restores the established position under which reference in paragraph 18 of schedule 23 to the Finance Act 1972 to ACT calculated at the rate "in force on that date" has been taken to mean the rate in force on April 6, 1973.

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Haw Par executives quit to ease Singapore 'impasse'

The chairman, managing director and deputy managing director of Haw Par Brothers International all announced last night that they had resigned.

This was the latest development in the controversy over Eastern saga involving Haw Par, Pemas, part of the state-controlled Malaysian National Corporation, and London Tin.

A joint statement by Mr D. E. Ogilvy Watson and Mr K. K. Fung, which was signed by James Gamble, the outgoing non-executive chairman also associated himself—said that "in view of the evident withdrawal of confidence on the part of the Singapore authorities, the board of Haw Par presently constituted has been unable to take such actions as it considers necessary for the future of the company and the protection of its existing interests."

"As the two directors principally responsible for negotiating the agreement with Pemas at the close, contracts for Haw Par have been suspended."

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VAT cut in old rentals may hit colour TV sales

By Derek Harris

Lower value-added tax rates after August 1 for television rental contracts may mean that April 16 could be another blow to colour television sales.

This warning came last night from the Radio and Television Retailers' Association in the wake of the Government's Finance Bill, which cuts pre-April rental agreements back to an 8 per cent VAT rate from the 25 per cent imposed in the Budget.

The RTRA, in line with the rest of the industry, welcomed the switch to low-income and elderly people had been among those most affected by the VAT rise—but feared that an imminent replacement market in rental colour sets would be postponed.

It has been estimated that a 25 per cent rate increases the average rent for monochrome by 8p a week and for colour by 20p to 25p a week.

Equities and gilt-edged have listless session

Government bonds ended the week on a soft note, after being firm for several days. The unprecedented rapidity with which the Government Broker sold the latest stock issue, Treasury 13½ per cent 1997, appeared to have exhausted the gilt market yesterday.

Prices tended to drift lower, although the very longest-dated stocks tended to recover fully by the close.

The Government Broker has been notably successful in selling stock recently, helped by the mounting signs that inflation may at last be slowing down, and by hopes that the £6 maximum pay rise may receive widespread acceptance.

With gilts stealing most of the limelight, the equity market was left at a very low ebb. Trading was light on all five days and limited in the main to short-term speculation.

In addition to losing money on fixed-interest stocks, an extra burden for equities is the amount of institutional funds being tied up by rights issues.

In FT index terms the Account has made a bad start. In the first week it went below the 300 mark and lost 14.7 points. In the previous account there had been an advance of 18 points.

PERSONAL INVESTMENT AND FINANCE

Insurance
Cancellation can mean
lost premiums

Apart from life assurance and certain types of sickness and accident insurance, most insurance policies run for a year. Although one talks loosely of them being renewed, essentially this is a fresh contract. Neither side is obliged to continue.

So, if you are dissatisfied in any way or can obtain better terms elsewhere, you do not have to renew your policy at expiry. Similarly, the insurance company is in no way obliged to renew. It can say that it will continue only on the basis of a higher premium (irrespective of whether you may have made a claim or not). Or it can refuse to renew under any circumstances—perhaps because it is giving up transacting that class of business or for no apparent reason whatsoever.

Normally, therefore, problems do not arise at this stage—except when you want a company to continue to provide cover, knowing that it will be difficult to get as good terms elsewhere. If, however, one side or the other wants to cancel in mid term, the position is not so straightforward. For a start, if premium has been paid for insurance, but there has been no risk to underwriters, a full return of premium is in order. An example is where an owner who has let a house has had it insured and has paid the premium by the landlord's standing order. If the house has been sold, there is no risk to the insurers after that date. If, therefore, inadvertently, the next premium is still paid to the insurers, it should be returned.

On the other hand, a policy may be void from the outset—because the insurers were not given the correct information when the insurance was arranged or because something was concealed from them. Normally in this situation, provided one acted without fraud, if the policy was void from the outset one would be entitled to a full refund of the premium. If, however, there was any fraud or breach of good faith (and concealing a material fact could come into this category), it is most unlikely that the courts would support an application for a return of premium.

In practice, however, an insurer might be prepared to make a full return of premium if given a written undertaking accepting that the insurance is void.

Cancelling for other reasons is governed by the terms of the policy—and the desire to cancel is most marked with motor insurance.

It is virtually standard practice for motor insurers to incorporate a cancellation clause in the policy, giving them the right to give seven days' notice of cancellation by registered letter. If the insurer takes this course (and they do not have to give a reason), they have to

make a pro rata return of premium. Some insurers allow a policyholder to cancel a policy in mid term; others do not. In fact, a motorist who decides to cancel is allowed to do so by the terms of the policy, will get a fairly raw deal in terms of return of premium.

Normally, for instance, a return of premium will be allowed only if no claim has arisen during the policy period. And the insurers will want to retain premium for the period on risk at "short period" rates. In other words, a motorist will receive back much less than pro rata premium. As an example, if nine months of the policy period have elapsed, it is most unlikely that there would be any return of premium at all.

If an insurance company goes out of business and straight away its policies are valueless, policyholders have a claim for the unexpired portion of the premium in the winding up. Those who were policyholders of the Vehicle and General at the time of its collapse are still waiting, but when it comes they should get more than 50p in the £ of the theoretical amount due.

In motor insurance the past much bad feeling has been caused by the attitude of many insurers who have argued (with legal justification) that the total loss of the car cancels the insurance and that a fresh policy must be arranged with, of course, no return of premium for the "unexpired premium".

The Provincial has been an innovator in a number of fields. It was, for instance, the first company to give motorists with a good record a "net premium" policy, with the advantages of a no-claim discount, but not the disadvantages. Now, it has come down on the side of the motorist after a total loss.

It has said that a total loss will be paid only if the cover under the policy is suspended and the certificate of insurance is returned. One can then take the replacement car to the policy, without the need for a fresh policy to be issued. Also (and this is the most generous part of the bargain), if more than four weeks have elapsed between the total loss of the first car and the addition of the replacement, a pro rata credit will be allowed, calculated on the last premium.

In announcing this, the company said that it hoped it would lead to "better relations and improved service". Perhaps other companies will take the hint and copy this. After all, it is not going to cost them much, but it could prevent ill feeling on the part of motorists who have been deprived of their cars, quite possibly, through no fault of their own.

John Drummond

Pension snags in the pay package

Because the new official pay restrictions are not set out in legislation, it is not easy to be sure about their detailed application. A particular point at issue is the effect on pension schemes.

The White Paper itself does not contain any mention of benefits other than pay, but the extract from the Trades Union Congress document on pay restraint, annexed to the White Paper, proposes, states without qualification that any benefits in non-cash form must be taken into account at their equivalent cash value.

The Government has set up an advisory service, which has been publicized in the press and which will answer inquiries about the Government's interpretation of the points of detail. There seems no doubt that the current attitude of the Government is that pensions are a form of remuneration which must be taken into account in

applying the 16-a-week maximum. This ruling has little economic commonsense to support it. Where future pensions are concerned there is no question of increasing the amount of money in the workers' pockets to spend—in fact, the result of an improvement in pension benefits is to take money out of the spending sector of the economy and transfer it to the investment sector, by increasing the employer's contributions to the scheme for investment by the trustees.

One would have thought this was the sort of objective the Government would have been seeking. After all, one of the difficulties facing this country is frequently said to be lack of industrial investment.

It is, moreover, inconsistent to bar pension increases—unless pay increases are less than £6 a week—but to be

pushing ahead with the proposals for the new state scheme and its accompanying rules for occupational schemes. The Government is still talking of introducing the new scheme in April, 1977, which will be only eight months after the current restrictions come to an end. No one will know until the time is near what is to follow this period of restraint.

As things stand at the moment, it seems that the restrictions not only catch new schemes for people who did not previously have a scheme at all but also improvements in existing schemes. It is not easy to envisage circumstances in which workers will be content with less than £6 a week in the figure which will itself almost certainly fail to keep pace with inflation except for those on really low earnings. For practical purposes, then, there will be a complete ban

on new schemes or improvements in existing ones.

There are many areas where anomalies or illogicalities will result from the strict application of the principle. The £6 a week limit is being applied to each individual employee. Obviously therefore the effect of changes in pension rights will have to be treated in the same way. If this is carried to its logical conclusion, the effect on an older employee will be much greater than on a younger one, because the pension over which the cost of his pension is being met is much shorter. Dare one say also that the effect on women will be greater than on men of the same age?

What about someone who is about to join his employer's scheme on completion of a year or two in service? Will this count as an increase in his benefits? I suppose one could claim that his entitlement to

join the scheme at the appropriate time dates from the day he joined service and there is therefore no extra benefit. But what if entry is at the discretion of the employer?

Perhaps the most serious anomaly—and the most ridiculous—arises in cases where an individual's pension entitlement increases because his salary increases. Take, for example, a member of a final salary scheme. If he gets a £6 a week pay rise, his pension increases by anything up to £4 a week, depending on the level of benefits under the scheme. You could say here, too, that the basis of his pension has been laid down beforehand, and therefore he is not really getting an increase in pension rights.

It does not look as though that is an argument which will cut much ice when applied to pay scales with predetermined

incremental steps, unless the increases are compensated by people leaving or retiring from the top of their scales and so on. Even then, if the Confederation of British Industry has its way, you cannot say that it does not cost the employer any more than he has budgeted for either; his contribution to the scheme will normally be a percentage of pay roll. If he pays, say, 10 per cent of pay roll, an increase of £6 a week to pay an employee will cost £3.60 a year, in extra contributions to the scheme in the short term quite apart from any question about the adequacy of the contribution level in the long term.

Careful thought is necessary not only to clarify the rules, but doubt but to avoid conflict with other policies being pursued by the Government, and time very short.

Eric Bruce

A transatlantic air in the City's money markets

When she joined the Bank of America's City branch in Wallbrook to advise corporate clients on their foreign exchange transactions, Annette Carrar had none too warm a welcome from "the boys". In common with most of the City's dealing rooms, Bank of America's foreign exchange centre is largely staffed by young Londoners, bright, very quick, very shrewd and very intolerant of pretension. That there should be a woman moving into their territory was ill enough; that she should, in addition, be an American, an assistant vice-president of the bank and young and presentable into the bargain was worse.

Nor could her confidence in her own abilities, a confidence based in part upon an academic training in economics and corporate finance, be expected readily to impress dealers who, in their mid-twenties, had perhaps 10 years' of experience in the City behind them. They might know nothing of the principle behind market movements, but they knew everything of the practice.

Her qualifications for the job, however, were more than merely academic. She had, after all, studied her career on the other side of the fence, working for the treasury department of Singer, the sewing machine manufacturer. After that had come a spell with Bank of America on the West Coast of the United States, advising companies on a fee basis on the deployment of their cash.

It was with this background that Annette Carrar came a year ago to establish a new London service providing advice to companies on the use of the foreign exchange market. Her only from the fact that her original 15 clients have become

40. There is also the fact that she and "the boys" now form a team. "They'll let me know if there's anything going on—anything that's likely to affect one of my clients. And they'll look after them if they ring up and I happen to be away."

For so eminently successful a career, this one had a distinctly disorganized start. Miss Carrar, nicely brought up to know nothing about money, first went to university to read

medicine and came across economics almost by chance. She then proceeded to become what one can only call a "drop-out", with three false starts and intervals of waiting before attaining an economics degree.

Thereafter things appear to have settled down, with the Singer interlude in particular providing valuable experience on just how a big and strongly centralized group identifies and satisfies its financing needs. This not only involves knowledge of cash flow, capital spending plans, working capital requirements and the merits and demerits of the various ways of raising money—equity, debentures, loans and so on, but also has to do with what to do with any spare cash.

The new Bank of America job—undertaken, she says, principally because she wanted a change to the West Coast—involved the application of the same expertise to outside situations; but Bank of America's decision to send her to open for them in London a new advice service simultaneously being started in other leading financial centres has left her with a much more specific con-

cern with developments in the foreign exchange markets.

Not that this limits the interest of the work. For a start her clients are, to say the least, varied: they include several Japanese companies—"I really like doing business with them; not nearly such a closed world as you might think, only you must be properly introduced by a Japanese"—and a couple of Russian ones—"I'm sure there's

some of its competitors, provides advice to companies in the hope of picking up dealing and other business from them, the essential decision with any potential client is whether the volume of business generated is likely to justify the time spent in providing advice. The decision, once made, Miss Carrar may have to spend up to six months getting her voice known and her advice trusted by the finance director or whoever is on the other end of the telephone.

She also has to acquaint herself with the company's particular requirements: it might, for instance, be a commodity dealer wanting help with currency hedges or a manufacturer with big overseas loans to get rid of lost sterling should fall further.

In the middle of all this it is quite possible that a crisis will suddenly erupt which requires her to ring up all her clients with instantaneous advice on how they should react. That, within a schedule that begins at 7.30 am in winter (when the continental exchanges open) is the kind of excitement upon which Annette Carrar thrives.

"The people are the same," she says, "but, that apart, there's no consistency to my job—none at all."

Since Bank of America, like

Adrienne Gleeson

Round-up

Mortgages • Indexed SAYE takes off

A conflict of opinion is beginning to emerge among building society leaders about the impact which last week's White Paper on pay restrictions could have on the trend of both building society investment and, indeed, the demand for larger mortgages.

At one end of the scale there is Mr Leonard Williams, chief general manager of the Nationwide, who on Wednesday took pains to reassure both house-builders and prospective purchasers that they need not fear a drying up of mortgage funds during the rest of this year.

On the other hand, Mr Alan Cumming, his counterpart at the Woolwich, takes a far more gloomy view of prospects. His main worry is the effect the White Paper could have on savings and indeed, he foresees a period of "disavowing". This thesis is shared by Mr Williams, who also mentioned that the outflow of funds from small savers has now continued for several months.

So it all depends on the big savers. These are the investors with £3,000 or more to put at the disposal of building societies, provided interest rates are in their favour. Short-term rates could hardly despite the inflationary package work the gilt-edged market would be expected to move upwards. Either trend could attract large investors.

This could point to a further reduction in the net inflow of funds later in the year.

How far this could lead to a cutback in the allocation of mortgages is another matter. The societies are leading at the rate of some £400m a month and hope to maintain this rate. Their very high liquidity, on average about 15 per cent of the movement, means that it requires only a two-point reduction in that liquidity to thrust another £400m into the housing market.

Obviously the incomes policy will have implications on the demand for mortgages, particularly at the higher end of the scale. However, it is worth bearing in mind the common-sense comment from Mr Raymond Porter, chairman of the Building Societies Association, who said

on Thursday: "Even at existing income levels there remains an unsatisfied demand from people quite capable of meeting the mortgage repayments involved."

Indexed-linked Save-As-You-Earn has been extremely popular in the first week of the scheme. The Department of National Savings has received as many completed proposal forms as in the first month of conventional Save-As-You-Earn in October, 1969.

Up to July 10 the number of forms received was 63,000. In October, 1969, the number of forms in the whole month was 65,000. Moreover, a large take-up continues, with the department estimating the daily inflow at about six or seven thousand.

The level of public demand for indexed-linked SAYE is unprecedented in the national savings movement. The Department of National Savings has been obliged to recruit extra staff at its Durham administrative centre to handle the inflow of forms.

The strength of public demand for the latest issue is made more remarkable by the absence of a major advertising campaign. It was obvious some weeks before July 2, when it became possible to subscribe to the issue, that the likely take-up would stretch the administrative capability of the national savings movement and an offi-

cial decision was taken to keep publicity in a low key.

The issue's reception has been particularly arresting in comparison with that given to the second SAYE issue in July, 1969. Only 4,000 proposal forms were completed in the first month of the second issue, although this contrast is somewhat misleading because it was a determined effort to recruit new subscribers and the building societies, whereas the present issue is aimed at existing subscribers.

The average monthly contribution to the scheme would be to be just under £14, according to the department. On this basis the annual investment already committed to the issue amounts to nearly £20m.

Although this is a fairly small sum it is unrealistic as a guide to the eventual scale of investment. The total number taken out at the Department of National Savings is at present about 300,000. The popularity of the new issue so far would suggest that the total number of indexed-linked schemes could be three or four times as large.

However, this would leave the total annual investment at well under £500m, rather than the £1,000m or more that the new issue would represent. It is unlikely to find this diversification of funds much more than a relief to the national savings movement, which has been in a building slump since the receipts and unit trust sales were partially attributed to indexed-linked savings schemes.

INDEXED-LINKED SAYE: Medium and income funds (progress this year and the past three years). Unit trust income: 152.3%; rise from January 1, 1971 to 1972: 15.0%; over 3 years: 26.4%.

Average change offer to bid, net income included, over past 12 months: 15.0%; over 3 years: 26.4%.

Statistics supplied by Investors Management and Unitreacher, 30 Finsbury Square, London, E.C.2.

UNIT TRUSTS: Medium and income funds (progress this year and the past three years). Unit trust income: 152.3%; rise from January 1, 1971 to 1972: 15.0%; over 3 years: 26.4%.

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EDITED BY MARGARET STONE

Investor's week

Gilts steal the limelight

Interest in Burton Group

With a dominant gilt-edged market attracting most of the attention it has been a quiet week for the London equity market, the FT 30-share index slipping back below the 300 mark.

The strength of the gilt market reflected mainly the belief in the City that the Government's package to tackle inflation will be a reasonable chance of achieving success, if not necessarily quite the success that the Government may be envisaging.

So, with some prospect that the inflation rate will be brought down to somewhere between 12 and 15 per cent over the next year, money continued to move heavily into the long end of the gilt market.

To what extent money has been leaving the equity market to go into the gilt market is hard to judge, but fears about recessionary implications of the success of the Government's policy did nothing to attract buyers to equities.

Only three months after the controversial circular on the Burton Group from stock-brokers J. & A. Stern, the company was again attracting City attention last week with the news that Mr Peter Burton would be going on his role as Burton's deputy managing director to become a technical director at the London Business School.

But what has been attracting the attention of some in the market still more has been the growing discrepancy over the price of Burton's Ordinary shares and the non-voting shares, after standing very close together earlier in the year, encouraging some switching out of the A into the Ordinary—not a particularly easy exercise as the Ordinary are a relatively narrow market and the A have fallen back much more rapidly than the Ordinary. At Thursday's close, for instance, the respective prices were 40p and 55p.

One theory is that, even though the Burton family effectively control the votes, someone has been slowly accumulating the Ordinary shares, thus helping to keep the price up. An alternative theory is quite simply that the A shares are the marketable shares and that there has been some fairly steady selling of them.

Certainly several analysts have now abandoned earlier forecasts that the current year to end-August would produce pre-tax profits of up to £3.5m—one downgrading his forecast to under £2.5m. On top of that the Government's economic package has hardly enhanced prospects for the next financial year.

The key for the share price would appear to lie in the group's dividend policy, a maintained net pay-out throwing up a yield with the A at 4p of 15½ per cent.

Henry Thornton fancies Dalgety

Henry Thornton thinks that it has been disagreeably quiet at home recently. Young Tom has just become a founder-member of the Linfield-Soul Sound and spends evenings and weekends practicing at the home of a fellow member with a number more complacent than Mary. And Ellie departed a fortnight ago for a vacation working through North America.

Henry and Mary have just had a peaceful holiday in the Columbia, which is a very full of trees and unemployment, because they are down on house building in the United States—but they say that things are getting better now.

Henry, who is under instruction not to replace two of the three laborers, technicians who have recently left, interpharm, wishes that the same could be said of the United Kingdom. The recent anti-inflationary package has done nothing to alleviate his gloom, which is based less on the fact that he himself is affected, although his latest pay increase takes him well over the point at which he will not be eligible for further rises—than on his belief that the measures taken will not be effective enough.

Henry thinks that on internal confidence in the United Kingdom, the United Kingdom should be a lot lower than they are now; but he notes that they are rising in America and reckons that the trend will continue to the end of the year. He believes that United Kingdom rates must be at least as low as the United States, and unless the anti-inflation package proves to be a great deal more effective than he is expecting, he thinks that United Kingdom rates may have to rise even faster.

Under these circumstances he declines, despite his income, to be tempted by the high yield on gilts.

But if rising interest rates are in this market a deterrent, in selected equities Henry takes them to be an encouragement. He believes that to be an indication that the long-awaited

HENRY'S PORTFOLIO: PROGRESS SO FAR						
Purchase	Quantity	Date	Buying price	Present price	Profit/loss	
Treasury 9% 1980	£2,360	18/11/74	£84.16	£92.4	+£172.80	
International Computers 61%	£2,738	6/1/75	£35.50	£51.50	+£409.70	
Debtenture 1981-86	nominal					
British American Tobacco Investments 8% convertible	5883	3/2/75	£118	£132	+£111	
Imp Cont Gen	833	3/3/75	240p	265p	+£160.40	
Royal Insurance	425	1/4/75	228p	280p	+£184.40	
Brixton Estates	1,986	28/4/75	97p	85p	-£310.80	
Selection Trust	234	26/5/75	655p	550p	-£380.80	
Sedgwick Forbes	119	26/5/75	230p	235p	-£23.80	
Wm Morrison Supermarkets	1,107	23/6/75	85p	90p	+£18.90	
Profit so far: £341.80						
Realized profit: £142						
* After dealing costs						

upturn in the United States economy is on the way—a belief to which Ellie's postcard has added more conviction.

He reasons, too, that he can for the moment invest in the assumption that the tide of recession in the developed countries is on the turn again. So Henry goes looking for companies that are likely to benefit from cyclical booms in the world wide.

It doesn't take him long to work round to Dalgety. Henry reckons that Dalgety's results for the year to end-June, which are due to be announced in early September, are going to be terrible: after all, pre-tax profits at the half-way stage had come back from £9.8m to £4.05m, and the chairman was then predicting a "substantial reduction" on the record earnings of the preceding year.

With this sort of warning, however, Henry estimates that the horrors which are likely to be announced have been dis-

counted in the share price, particularly as, in the case of Dalgety, there is the support of a safe-looking dividend. The yield, at some 5½ per cent at £11p, will come in handy, but Henry is really buying for capital appreciation on recovery as Dalgety's meat and wool interests come back into their own next year.

He thinks that things may well continue dismal for the next six months, even though defensive spread has been improved by the build-up of the United Kingdom's wool and animal feeds interest, since the recovery in meat prices so far has been of small dimensions and the wool price, although showing occasional flickers, has yet to come completely back to life. But Henry believes that he will do well on a £1,000 portfolio as about 21½p on a 12 to 18 month view.

Capital transfer tax

Keeping tabs on gifts

Readers will not need reminding that the capital transfer tax has been with us for nearly 16 months now. But I wonder how many have fully appreciated what it entails from an accounting and record keeping point of view.

The law tells us that the donor, personal representative and donee are each liable to account to the Revenue. "An account" specifies to the best of his knowledge and belief all relevant property and the value of that property.

Although the Act refers to the donee as an "accountant" it is no more than a detailed form which will be quite separate from the annual tax return. Indeed, the Inland Revenue's capital transfer tax forms (form CTS) are now available, but few people will have applied themselves to the task of completing one because here is a breathing space. The first returns do not have to be sent in until September 13 this year, but after that an account will have to be submitted on a bi-monthly regular basis.

For lifetime gifts an account is required to quote the law gain, "before the expiration of the period of 12 months running from the date on which the transfer is made."

This wording suggests that a return is required for each month in which a transfer takes place, an administrative chore that many taxpayers will see over to their already overburdened accountant.

It is interesting to observe that the tax itself on lifetime gifts is due for payment 12 months after the end of the month in which the transfer was made. Alternatively, where a transfer takes place between April 6 and September 5 inclusive, the tax is due on April 6 in the following year.

Whether date applies, there clearly a serious conflict between the date by which the account must be submitted and the date of the tax. The tax will frequently fall due for payment before the account is sent in. But more serious is the fact that the due date of payment and interest—another follows from the account—require that a donor keep an accurate record

of lifetime gifts made after March 26, 1974, a task which, while CTT continues to exist, will last a lifetime. And the responsibility cannot be shirked by accountants, who are to be paid for the forms—the ones for keeping accurate records falls squarely on the donor's shoulders. In the case of married couples each spouse must keep a separate record.

Some accountants can be drawn from the statement on the CTT form that, "an account is not obligatory in respect of a transfer which is wholly exempt." Just a specialist here that the first £10,000 of chargeable transfers (lifetime gifts) is exempt from CTT. It is not an exemption and gifts forming part of the £10,000 must be included on the form.

Again, then, from gifts which are chargeable, a donor needs to be kept for each month showing the date and nature of the gift (whether cash, chattels, shares and so on), the recipient, the value, including whether the donee is liable to pay the tax and the tax thereon. The records should also show the amount of the exemption where a gift is partly exempt and the donor's cumulative total.

Part exemption will apply where, for example, exemption is being claimed under the £10,000 or £100 or gifts in consideration of marriage rules, and the total value of the gift is over the permitted limit.

So far as gifts made before March 27, 1974, are concerned there will be a liability to CTT only if the donor dies within seven years of making the gift. So until the seven-year period expires a record should be maintained of the date of the gift, the name of the recipient and the nature and amount of the asset concerned.

On a death the personal representatives must submit an account within 12 months of the end of the month in which death occurs. There is specific authority here for personal representatives to include an estimate of the value where they are unable to ascertain the exact value of any particular property.

This authority is not given to lifetime gifts but in some

instances there will have to be a concessionary approach by the Inland Revenue. The valuation of shares in a family company, for example, can be a controversial business and it may take years to come to an agreement with the shares valuation division.

As was the case with estate duty, the capital transfer tax on personality (broadly property excluding land and trusts) must be paid before probate can be obtained.

If the person responsible for submitting the account discloses that it is defective in a material respect (tax defined) because, for example, an item is undervalued or totally omitted from the account, he must submit a further account containing sufficient information to enable matters to be put right.

For the time being the estate duty office is to be responsible for administering the capital transfer tax from one of two addresses, depending on whether the transfer is made during lifetime or on death. The intention for the future is to create regional offices and readers might be interested to know what the Chief Secretary to the Treasury has said on this subject.

"Wealth tax will be administered with capital transfer tax and estate duty, in a network of capital tax offices, which will involve the creation of new posts outside London and the relocation of a substantial number of existing posts now in the Estate Duty Office in London."

As part of staff who will occupy existing offices in London area, offices will be opened in the following towns; and planning is proceeding on the basis that the number of posts at each place will be broadly: Stockport—200, Sheffield 300, Derby 200, Hull 200, Wrexham 300, Plymouth 400, Wokingham 150.

There will also be about 125 new posts in a capital tax office in Edinburgh, which will incorporate the existing Scottish Estate Duty Office.

Verdi Di Palma

FINANCIAL NEWS AND MARKET REPORTS

A London quote for Brazilian trust

By Margaret Walters

The first of what is expected to be a number of investment vehicles designed to enable United Kingdom and international investors to participate in the Brazilian stock market made its appearance yesterday. A group of stock exchange quotations has been secured for Brazilian Investments SA which is seeking a minimum of \$10m and a maximum of \$14m from institutional investors for what is regarded as a top-quality exercise in the Brazilian market. This follows the easing of restrictions on the flow of foreign capital into the country.

In accordance with the regulations, Banco Bozoma, Simonsen de Investimentos SA is investment manager. James Capel are stockbrokers to the issue, while the board of directors includes representatives of merchant bank Morgan Grenfell and fund manager Henderson. Administration, and M & G.

A maximum of 140,000 shares at \$106 each will be placed, and it is understood that over \$10m has already been subscribed to the issue. Similar currency are expected to be announced by Vickers Da Costa and White, among others over the next few weeks.

Mr Casper argues against forcing Crest liquidation

By Our Financial Staff

Forced liquidation of Crest International, the financial group involved in the long-running bid for the Ashbourne Investments, would yield very little to the loan stockholders in the current depressed conditions, argues Mr Lionel Casper, chairman of Crest, in a letter to holders of his group's 10 per cent convertible loan stock yesterday.

Referring to a circular recently sent by a group of loan stockholders recommending that pressure be brought on the company to pay back the stock following failure to pay interest, Mr Casper says that the £105 payment under the trust deeds is "naïve".

The loan stockholders are arguing that, under the trust deeds, 20 per cent of loan stockholders could enforce repayment of the stock. They urge shareholders to take action following the resignation of Mr Gerry Weiss, liquidator of Crest, as trustee.

Mr Casper counters that the group's accounts, last published in late 1973, will, together with details of a capital reorganization, be presented to shareholders within three weeks. He goes on to say that confidence in the company is such that the major shareholder is prepared to capitalize his loan of £200,000 into new Crest shares subject to loan holders' acceptance of the capital plan.

Hamersley Hldgs has strong second quarter

Australian Iron ore producer Hamersley Holdings increased its second quarter earnings from \$4.59m to \$7.23m, leaving the total after six months up from \$7.16m to \$13.6m. For the six months, sales revenue jumped 52 per cent to \$133m due to a 1.36m tonne increase to 16.8m tonnes in ore shipments and the benefit of the depreciation of the Australian dollar.

Until recently, the Australian iron ore producers have suffered from a severe squeeze on margins.

NET in talks which might lead to bid

NET, formerly North Eastern Timber, in a brief statement made soon after midday yesterday said it was having discussions which might lead to a possible offer for the group. But the name of the group with whom the talks were taking place was not given. The immediate market reaction was to mark up the shares by 6p to 37p and after further trading the price closed at 40p showing a 9p gain on the day. This closing price puts a market value on the group of £1.6m.

Initial Services at new peak

Initial Services, who hire and service towels, coats and industrial clothing more than regained the ground lost in 1973-74 in the year to last March. Pre-tax profits climbed 12 per cent to a new peak of £5.65m. The year before they fell from £5.58m to £5.04m. But margins narrowed as the directors warned shareholders they would last December. Pre-tax profits rose by 18.4 per cent in the first half-year, and margins over the year to March 31 were 37.7 per cent of sales to 12 per cent.

After heavier tax, attributable profits went ahead from £2.1m to £2.7m and earnings a share from 5.5p to 6.3p. The gross dividend is to be 5.15p a share with a final of 3.85p. The year before it was 4.68p. Price Commission delays in allowing the group to pass on costs have been a long standing problem, and in 1973-74 the group suffered from the three-day week. British Electric Traction has nearly two-fifths of the shares.

Warning was also given that the bid by Somerton Shipping and Channel International Trust would be opposed. Terms are 18p each for the non-voting shares.

Arabs buy further stake in Alderman

Following the 15.6 per cent stake purchased in Alderman Securities by an Arabian group in February, Jeddah-based Real Estate & Investment has acquired 15 per cent. Sheikh Youssef Zahid and his family own all the equity. Comments on the February purchase, Alderman said prospects would be opened up in Saudi Arabia and other Middle Eastern countries.

UK loss drags down Lee Cooper

The downturn in the fortunes of Lee Cooper Group, the maker of jeans and casual wear, sent the shares down 5p to 55p yesterday. The outcome for the year to March 31 shows pre-tax profits down from £74,000 to £63,000, while the dividend dividends from 7.5p to 2.49p.

UK loss drags down Lee Cooper

The downturn in the fortunes of Lee Cooper Group, the maker of jeans and casual wear, sent the shares down 5p to 55p yesterday. The outcome for the year to March 31 shows pre-tax profits down from £74,000 to £63,000, while the dividend dividends from 7.5p to 2.49p.

Eucalyptus bounds to fresh peak

Going from strength to strength after its 50 per cent interim leap, Eucalyptus Pulp is showing a 70 per cent advance to a fresh record of £1.65m—the first time the firm mark has been beaten. Earnings a share work out at 22.1p against 13.8p, but the total dividend is unchanged at 8.8p. Turnover increased from £5.2m to £9.2m.

But this year may be more mixed. While the first-half results should be good, a downturn seems likely in the second. The company has been spared nationalization by the Portuguese.

Cowan's new company

For £520,000 in cash, Cowan, de Groot has bought hardware wholesaler Richard Kelly Cowan's advisers, County Bank, provided £500,000 of the total in exchange for 424,000 "A" ordinary shares. Kelly, Stourbridge-based, turned in £161,000 before tax in 1974, while assets at December 31 were £328,000. The acquisition will strengthen Cowan's widespread toys, electrical and machinery wholesale business.

Rebels win at L & G

With the issue of voting rights still before the High Court, rebel shareholders at troubled Land & General Debenture yesterday won their case. The rebels argued that the three-for-two compensation for those members with a vote, was too generous and that the group should revert to the original scheme of two-for-five.

Tomkins' fine finish

F. H. Tompkins, the Staffordshire-based maker of buckles, bright drawn steel and nuts and bolts, reports record profits for the year to April 27 last despite an interim margin warning. In the full year pre-tax profits rose from £247,000 to £1.16m, and the second half accounting for £581,000 against £577,000. Earnings a share worked out at 25.4p against 21.9p and the total dividend goes up from 8.99p to 10.9p with a final of 8.71p.

Brokers' views

Though Simon & Coates does not yet recommend buying shipping shares its latest review does favour British & Commonwealth as a "cheap investment holding company". But Furness Withy is seen as the cheapest shipping company carrying with it a totally free option on a logical bid from abroad.

Shipping rates since 1967 have been largely denominated in dollars and the majority of costs denominated in dollars. So the exchange rates on profits can be immense. Hence the view of the shipping sector could change, even in the absence of an upturn in world trade, should the pound fall below a rate of

Stock markets

Price index gives late lift to shares

Apart from a retail price index which was rather better than the market had expected—and which gave a late afternoon boost—share prices hovered around their overnight levels for most of the day. The London stock market yesterday.

Gilts still dominated the scene, though even here interest tended to wane towards the end of the day. Early some heavy buying saw the industrial leaders start on a firmer note but the market then went easier and by 2 pm the FT Index was a mere 0.1 ahead. But by the close it had gained 2.1 to 298.9.

Nevertheless over the week, the first of the current account, it has lost 14.7 points and shipped below the 300 mark. In the previous session it had advanced 18 points. The three main reasons for this have been the dominance of gilts, which has seen money switched from equities to the Treasury, the outlook for the lightness of trading which has tended to exaggerate price movements.

The gilt edge market was rather quieter than on other recent days. Short-dated stocks saw particularly light trading and closed with a 1-16 point loss in places. More interest was seen in long-dated stocks, but even this was comparatively modest.

Active recently in the option market, Lex Service also attracted speculative interest at 13p. The share closed a fraction above that level.

Prices lost a ½ point at one stage, but this was recovered by many of the very long-dated stocks if not by the shorter "mediums". Trading in the new Treasury 13½ per cent 1997 was below some expectations. It closed at 94½ after being traded down to 94.

The bid front provided a good part of a limited number of features: NET (North Eastern Timber) was undoubtedly the star leaping 13p to 40p as the revelation that merger talks are in progress. Furness Withy continued its upward path adding another 15p to 240p on con-

tinuing expectations of an offer while Central Manufacturing, although lower by 11p to 62½p, were actively traded awaiting the terms from LCP Holdings. Pentland Industries, the subject of a 41p offer from Robert Stephens, were already above that price and eased to 7p.

Among the leaders experience was mixed. At one end of the scale was Fisons, which gave up 5p to 345p, and at the other Becton 286p an improvement of 6p. Both ICI and British American Tobacco firmed a penny to 252p and 117p while Unilever 366p and Glaxo 353p were 2p and 3p ahead.

Countdowns, with a possibly depressing annual meeting next week, lost a penny to 110p.

Stores were brighter than of late with Boots gaining 6p to 196p on a bullish chairman's statement and GUS "A", still reflecting Thursday's figures, 5p better to 253p. British Home Stores 287p and Marks & Spencer 101p were both up to 5p better. Further consideration of results added a couple of pence to Thora "A" (162p) in electricals and clipped 2p to 116p for Bristolls on the drinks pitch.

The grim statement from Keyser Ullmann was the main feature in banking shares. But it was well discounted and after an initial drop the share closed 2p off to 42p. Other were up to 6p higher with Barclays 258p, National Westminster 215p, Lloyds 205p and Midland 247p. Elsewhere in financials insurance shares lacked support, as was the case with properties though Peasey managed to add another penny to 25p in spite of rather lower profits earlier in the week.

Oil generally receded, particularly BP which lost 8p to 525p. But Shell managed a

Pan Continental rose by up to 60p on its uranium hopes. After hours trading was very quiet. The only stock which attracted any great attention was Furness Withy which added another 15p of pence on further speculative buying, the price profit taking cut the price back a little.

Latest dividends

Company	Ord div	Year ago	Year ago	Year's prev	Year's prev
Dewhurst & Partners (10p) Int	0.24	0.24	8/9	—	0.77
Dixie Hosiery (5p) Int	0.23	0.23	1/10	—	0.58
Edinburgh & London (10p) Int	0.21	0.21	1/10	—	0.85
Glasgow & South Western (10p) Int	1.0	0.87	15/8	—	2.8
Initial Services (25p) Int	2.5	2.3	—	—	3.37
Keyser Ullmann (25p) Int	3.75	—	—	—	1.62
Lee Cooper (25p) Int	4.2	4.2	—	—	4.84
Newcastle & Carlisle (10p) Int	0.22	0.22	5/9	—	0.8
Stenochem Hldgs (25p) Int	1.37	1.37	29/9	—	3.12
Viatron (20p) Int	0.81	1.75	28/8	—	1.25

Dividends in this table are shown net of tax in pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross, multiply the net dividend by 1.54.

Foreign Exchange

Sterling fell by 50 points against the dollar yesterday, to close at \$2.1750, but improved against some Continental currencies. Its exchange rate was unchanged at 26.6 pence at the close.

Gold rose by 75 cents an ounce, to close at \$184.75.

Eurobond prices (midday indicators)

Country	Rate	Country	Rate
Belgium 1980	104.5	France 1980	104.5
Belgium 1981	104.5	France 1981	104.5
Belgium 1982	104.5	France 1982	104.5
Belgium 1983	104.5	France 1983	104.5
Belgium 1984	104.5	France 1984	104.5
Belgium 1985	104.5	France 1985	104.5
Belgium 1986	104.5	France 1986	104.5
Belgium 1987	104.5	France 1987	104.5
Belgium 1988	104.5	France 1988	104.5
Belgium 1989	104.5	France 1989	104.5
Belgium 1990	104.5	France 1990	104.5

Money Market Rates

Bank of England Minimum Lending Rate 10%	Rate
1 week	10.00
1 month	10.00
3 months	10.00
6 months	10.00
1 year	10.00
2 years	10.00
3 years	10.00
4 years	10.00
5 years	10.00
6 years	10.00
7 years	10.00
8 years	10.00
9 years	10.00
10 years	10.00

Discount market

In the wake of Thursday's large number of applications for the new gilt, another difficult day for the discount houses was inevitable yesterday. The authorities lent funds at Minimum Lending Rate on six houses and this official help was seen as an exceptionally large scale.

The general scarcity of fresh funds kept bids in the 9½ to 10 per cent range, with some slight easing to 9.9½ per cent at the finish.

Recent issues

Company	Amount	Interest	Term
British & Commonwealth	£100m	10.00%	10 years
British & Commonwealth	£100m	10.00%	10 years
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British & Commonwealth	£100m	10.00%	10 years
British & Commonwealth	£100m	10.00%	10 years
British & Commonwealth	£100m	10.00%	10 years

Recent issues

Bank of England Minimum Lending Rate 10 1/2%			
1 month 10 1/2%			
3 months 10 1/2%			
6 months 10 1/2%			
1 year 10 1/2%			
Weekend, Open 10			
Week Fixed 10-10 1/2			
Treasury Bills 10 1/2%			
Selling			
3 months 10 1/2%	6 months 10 1/2%	1 year 10 1/2%	18 months 10 1/2%
3 months 10 1/2%	6 months 10 1/2%	1 year 10 1/2%	18 months 10 1/2%
Prime Bank Bills 10 1/2%, Traders 10 1/2%			
3 months 10 1/2%	6 months 10 1/2%	1 year 10 1/2%	18 months 10 1/2%
3 months 10 1/2%	6 months 10 1/2%	1 year 10 1/2%	18 months 10 1/2%
6 months 10 1/2%	1 year 10 1/2%	18 months 10 1/2%	24 months 10 1/2%
6 months 10 1/2%	1 year 10 1/2%	18 months 10 1/2%	24 months 10 1/2%
6 months 10 1/2%	1 year 10 1/2%	18 months 10 1/2%	24 months 10 1/2%
6 months 10 1/2%	1 year 10 1/2%	18 months 10 1/2%	24 months 10 1/2%
Local Authority Bonds			
1 month 10 1/2%-10 3/4%	3 months 10 1/2%-10 3/4%	6 months 10 1/2%-10 3/4%	1 year 10 1/2%-10 3/4%
2 months 10 1/2%-10 3/4%	3 months 10 1/2%-10 3/4%	6 months 10 1/2%-10 3/4%	1 year 10 1/2%-10 3/4%
3 months 10 1/2%-10 3/4%	6 months 10 1/2%-10 3/4%	1 year 10 1/2%-10 3/4%	18 months 10 1/2%-10 3/4%
6 months 10 1/2%-10 3/4%	1 year 10 1/2%-10 3/4%	18 months 10 1/2%-10 3/4%	24 months 10 1/2%-10 3/4%
6 months 10 1/2%-10 3/4%	1 year 10 1/2%-10 3/4%	18 months 10 1/2%-10 3/4%	24 months 10 1/2%-10 3/4%
6 months 10 1/2%-10 3/4%	1 year 10 1/2%-10 3/4%	18 months 10 1/2%-10 3/4%	24 months 10 1/2%-10 3/4%
Local Authority Markets:			
1 month 10 1/2%-10 3/4%	3 months 10 1/2%-10 3/4%	6 months 10 1/2%-10 3/4%	1 year 10 1/2%-10 3/4%
2 days 10 1/2%-10 3/4%	3 months 10 1/2%-10 3/4%	6 months 10 1/2%-10 3/4%	1 year 10 1/2%-10 3/4%
2 days 10 1/2%-10 3/4%	3 months 10 1/2%-10 3/4%	6 months 10 1/2%-10 3/4%	1 year 10 1/2%-10 3/4%
2 days 10 1/2%-10 3/4%	3 months 10 1/2%-10 3/4%	6 months 10 1/2%-10 3/4%	1 year 10 1/2%-10 3/4%
Interbank Market:			
Weekend, Open 10-10 1/2%	10 1/2%-10 3/4%	10 1/2%-10 3/4%	10 1/2%-10 3/4%
1 week 10 1/2%-10 3/4%	3 months 10 1/2%-10 3/4%	6 months 10 1/2%-10 3/4%	1 year 10 1/2%-10 3/4%
1 week 10 1/2%-10 3/4%	3 months 10 1/2%-10 3/4%	6 months 10 1/2%-10 3/4%	1 year 10 1/2%-10 3/4%
3 months 10 1/2%-10 3/4%	6 months 10 1/2%-10 3/4%	1 year 10 1/2%-10 3/4%	18 months 10 1/2%-10 3/4%
3 months 10 1/2%-10 3/4%	6 months 10 1/2%-10 3/4%	1 year 10 1/2%-10 3/4%	18 months 10 1/2%-10 3/4%
3 months 10 1/2%-10 3/4%	6 months 10 1/2%-10 3/4%	1 year 10 1/2%-10 3/4%	18 months 10 1/2%-10 3/4%
3 months 10 1/2%-10 3/4%	6 months 10 1/2%-10 3/4%	1 year 10 1/2%-10 3/4%	18 months 10 1/2%-10 3/4%
First Class Postman's Office Rate 10 1/2%			
3 months 10 1/2%	6 months 10 1/2%	1 year 10 1/2%	18 months 10 1/2%
3 months 10 1/2%	6 months 10 1/2%	1 year 10 1/2%	18 months 10 1/2%
3 months 10 1/2%	6 months 10 1/2%	1 year 10 1/2%	18 months 10 1/2%
3 months 10 1/2%	6 months 10 1/2%	1 year 10 1/2%	18 months 10 1/2%
Finance House Base Rate 10 1/2%			

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1 All you need is a specially constructed down-proof cambric case from Aeonics and the correct quantity of filling—either from an Aeonics Home-Sew Kit or Grandmother's eiderdown. You will also need sewing thread and about 18 clothes pegs.



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London, S.W.6.
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Monday to Friday, 9.30 a.m. to 5.30 p.m.

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pocket size
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BLOOD splat from
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Trousers: elastic waist, pocket
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Colour: Navy. Complete size
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L: 44-45 45-48 50-52 53-58 Plus fit + £2.50

Trousers: usual waist 32-34 C: 17.5-17.75 17.75-18
L: 18.5-19 plus fit + £1.50. Ideal for golf, bank
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height and waist. Money back if not satisfied.
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Edward St., Broughton, Manchester M7 9SL.

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Ends months of wear.

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JACKET

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Neat zip front, two chest pockets adjustable button cuffs and side tabs. Ideal for golf, walking & all outdoor pursuits. Colours: Fawn, Chocolate, Petrol Blue. (Please state second choice) Chest 30-35" £3.75, 36"-44" £4.98, 46"-50" £4.99. Free p & c. Zip. Money back if not satisfied.

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